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Lead Counsel for the Proposed Class*

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

13 CORINNE GONSALVES, individually  
14 and on behalf of others similarly situated,

15 Plaintiff,

16

17 BLOCK, INC., JACK DORSEY, and  
AMRITA AHUJA,

### Defendants.

Case No. 5:25-cv-00642-NW

## **AMENDED CONSOLIDATED CLASS ACTION COMPLAINT**

## **CLASS ACTION**

**DEMAND FOR JURY TRIAL**

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1           Lead Plaintiff Teachers' Retirement System of the City of New York, New York City  
 2 Employees' Retirement System, New York City Fire Pension Fund, New York City Board of  
 3 Education Retirement System, Police Superior Officers' Variable Supplements Fund, Police  
 4 Officers' Variable Supplements Fund, Firefighters' Variable Supplements Fund, Fire Officers'  
 5 Variable Supplements Fund, New York City Fire Department Life Insurance Fund, and Teachers'  
 6 Retirement System Variable A (collectively, the "NYC Funds" or "Lead Plaintiff") brings this  
 7 federal class action under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934  
 8 ("Exchange Act"), as well as Securities and Exchange Commission ("SEC") Rule 10b-5, on  
 9 behalf of all entities and individuals who purchased the Class A common stock of Block, Inc.  
 10 ("Block" or the "Company") between February 26, 2020 to May 1, 2025, inclusive (the "Class  
 11 Period"). Lead Plaintiff brings this Complaint against: (1) Block, Inc. ("Block" or the  
 12 "Company"); (2) Jack Dorsey, Block's co-founder, Chairman, and Chief Executive Officer  
 13 ("CEO") (formally titled "Block Head"); and (3) Amrita Ahuja, Block's Chief Financial Officer  
 14 ("CFO") and Chief Operating Officer ("COO") (formally titled "Foundational Lead") (together  
 15 with Dorsey, the "Individual Defendants," and collectively with Block, "Defendants").

16           Lead Plaintiff's allegations are based, among other things, on an investigation conducted  
 17 by and through their attorneys, which included an analysis of:

- 18           • SEC filings made by Block, including quarterly Form 10-Qs, annual Form 10-Ks,  
              and other public filings concerning Block or its related entities;
- 19           • Additional public statements by Defendants, including those made during  
              Company earnings calls, at investor conferences, and in shareholder letters and  
              press releases;
- 20           • Research reports issued by securities and financial analysts concerning Block;
- 21           • Economic analyses of Block stock, including stock price movements in response  
              to disclosures relating to the misconduct detailed in this Complaint;
- 22           • Other publicly available information, including the March 23, 2023 Hindenburg  
              Research report titled "*Block: How Inflated User Metrics and 'Frictionless' Fraud*  
              *Facilitation Enabled Insiders To Cash Out Over \$1 Billion*" (the "Hindenburg

Report"); the March 31, 2023 Hindenburg Research follow-up report titled, "*Block's Response Confirmed Inflated User Counts While Ignoring Other Key Issues*"; the January 15, 2025 Settlement Agreement and Consent Order issued by 49 state money transmission regulators (the "Multistate Consent Order"); the January 16, 2025 Consent Order issued by the Consumer Financial Protection Bureau (the "CFPB Consent Order"); and the April 10, 2025 Consent Order issued by the New York Department of Financial Services ("NYDFS") (the "NYDFS Consent Order");

- Expert analysis from Dr. Daniel McCarthy, Ph.D.; and
- Interviews with former Block employees ("FEs") who worked at the Company during the Class Period in roles involving risk management, compliance, internal controls, or marketing, and who possess firsthand knowledge of facts relating to the fraud underlying Lead Plaintiff's claims.<sup>1</sup> Below is a table summarizing the FEs and their responsibilities and tenure at Block:

<b>FE</b>	<b>Title/Responsibility</b>	<b>Tenure</b>
FE 1	Block compliance manager <sup>2</sup>	March 2021 to February 2023
FE 2	Regulatory counsel <sup>3</sup>	August 2023 to May 2024
FE 3	Cash App Bitcoin Program Manager	January 2022 to October 2022
FE 4	Global Risk Assessment Program Manager	May 2023 to March 2025
FE 5	Cash App Behavioral Insights Investigator	November 2021 to November 2022
FE 6	Fraud Investigator	January 2022 to March 2024
FE 7	Head of Bitcoin Compliance	November 2021 to December 2024
FE 8	Risk Operations Leader	October 2020 to April 2024 <sup>4</sup>
FE 9	Cash App OFAC Sanction and KYC Lead	December 2021 to June 2024

<sup>1</sup> For confidentiality purposes, this Complaint uses gender-neutral pronouns to refer to all FEs.

<sup>2</sup> **FE 1** asked to be identified as a "Block compliance manager" rather than by their specific title at Block.

<sup>3</sup> **FE 2** asked to be identified as a "regulatory counsel" rather than by their specific title at Block. **FE 2** worked closely with Block's legal department and obtained direct knowledge of Block's compliance and risk policies and procedures through their role at the company.

<sup>4</sup> **FE 8** previously worked at Block in the Square business from November 2019 to October 2020.

1 Co-Lead Counsel's investigation is continuing, and many of the relevant facts are known  
 2 only by Defendants or are exclusively within their custody or control. Lead Plaintiff believes  
 3 substantial additional evidentiary support for the allegations exists and would be uncovered  
 4 through a reasonable opportunity for discovery.<sup>5</sup>

5 **I. NATURE AND SUMMARY OF THE ACTION**

6 1. Defendants portrayed Block as a mission-driven technology company committed  
 7 to "economic empowerment." Central to this narrative was Cash App, marketed as a  
 8 revolutionary tool to serve the "unbanked" and "underbanked" through accessible and low-cost  
 9 financial services.

10 2. For much of the Class Period, Cash App's reported user growth was staggering. In  
 11 December 2019, Block reported 24 million monthly active users; by December 2020, it was 36  
 12 million users; and by December 2023, the Company touted 56 million users. Defendants  
 13 attributed Cash App's rapid user growth during the Class Period to viral adoption among  
 14 customers and an intuitive, social network-like user experience. Throughout this period,  
 15 Defendants repeatedly emphasized the Company's purportedly strong compliance infrastructure  
 16 for the Cash App mobile payment system.

17 3. Unbeknownst to investors, Cash App's growth was driven by systemic failures in  
 18 know-your-customer ("KYC"), anti-money laundering ("AML"), and sanctions screening  
 19 controls, which attracted illicit actors who utilized fake and duplicate accounts. These controls are  
 20 all core functions for a financial payments company. Whistleblowers later described Block's  
 21 "frictionless onboarding" as a "shadow financial system beyond the reach of regulators," where  
 22 Cash App knowingly processed transactions involving sanctioned entities and unlawful  
 23 operations, including the sale of stolen personal data, offshore gambling banned to U.S. users, and  
 24 potentially terrorism financing. As a result of these violations, the Company ultimately incurred  
 25 nearly \$300 million in regulatory fines imposed by state and federal authorities and agreed to the  
 26 imposition of a compliance monitor for a one-year period.

27  
 28 <sup>5</sup> Unless otherwise indicated, all emphasis in this Complaint has been added. Additionally, unless  
 otherwise indicated, references to "¶" are to paragraphs of this Complaint.

1           4. For Block, the growth of its user base is essential to its valuation as a company.  
 2 Throughout the Class Period, Defendants reported Cash App’s user base counts prominently in  
 3 earnings calls, investor presentations, and SEC filings, often repeatedly emphasizing the  
 4 year-over-year growth of Cash App’s user base. The investing community relied on these figures  
 5 to model Block’s scalability and profitability, and to determine a fair price for Block’s stock. Due  
 6 to its undisclosed compliance failures, Cash App’s user base was materially smaller than publicly  
 7 represented, because the reported numbers were inflated by duplicate, fraudulent, and illicit  
 8 accounts enabled by Cash App’s lack of adequate compliance. And, halfway through the Class  
 9 Period, the Company even changed the way it measured “users”—from active “customers” to  
 10 active “accounts”—so that Cash App would reflect continued growth.

11           5. The illusion of rapidly scalable growth supported by robust compliance practices  
 12 began to unravel in March 2023 when, following a two-year investigation involving interviews  
 13 with dozens of former employees, partners, and industry experts, Hindenburg Research  
 14 (“Hindenburg”—a prominent and widely respected short-seller—published a report partially  
 15 exposing Cash App’s artificially inflated user base numbers and the fraud and absence of  
 16 compliance procedures that generated those inflated numbers. Although Block issued a statement  
 17 vigorously disputing Hindenburg’s research and threatening litigation, it acknowledged a  
 18 substantial discrepancy between the active accounts claimed and Social Security numbers  
 19 (“SSNs”) associated with those accounts, revealing that its earlier user-base claims were inflated  
 20 by 15–30%. In response to the Hindenburg Report, state and federal agencies launched  
 21 enforcement actions that culminated in substantial penalties and fines against Block for  
 22 compliance failures related to Cash App.

23           6. As a consequence, and following a series of disclosures of corrective information,  
 24 Block’s stock price collapsed from its Class Period high of \$289 per share to just \$46 per share—  
 25 an 84% decline that inflicted massive losses on investors.

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1       **II. JURISDICTION AND VENUE**

2       7. Lead Plaintiff brings the claims asserted herein under and pursuant to §§ 10(b) and  
 3 20(a) of the Exchange Act, 15 U.S.C. §§ 78j(b) and 78t(a), and Rule 10b-5 promulgated  
 4 thereunder, 17 C.F.R. § 240.10b-5.

5       8. This Court has jurisdiction over the subject matter of this action pursuant to § 27  
 6 of the Exchange Act, 15 U.S.C. § 78aa, and 28 U.S.C. § 1331.

7       9. Venue is proper in this District pursuant to § 27 of the Exchange Act, 15 U.S.C.  
 8 § 78aa, and 28 U.S.C. § 1331(b). Many of the acts and transactions that constitute the alleged  
 9 violations of law, including the dissemination to the public of untrue statements of material fact,  
 10 occurred in this District, and the Company maintained its headquarters in this District at the start  
 11 of the Class Period.

12      10. In connection with the acts alleged in this complaint, Defendants, directly or  
 13 indirectly, used the means and instrumentalities of interstate commerce, including, but not limited  
 14 to, the mails, interstate telephone communications, and the facilities of the national securities  
 15 markets.

16       **III. PARTIES**

17       **A. Lead Plaintiff NYC Funds**

18      11. Lead Plaintiff NYC Funds are a group of retirement pension funds based in New  
 19 York City that collectively manage more than \$279 billion in assets. The NYC Funds purchased  
 20 Block Class A common stock at artificially inflated prices during the Class Period and were  
 21 damaged thereby. Lead Plaintiff's purchases of Block Class A common stock during the Class  
 22 Period are set forth in the Appendix, incorporated herein by reference.

23       **B. Defendants**

24      12. Defendant Block is a payment processing and financial technology ("fintech")  
 25 company with its principal executive offices in Oakland, California. Block was co-founded by  
 26 Defendant Jack Dorsey and Jim McKelvey in 2009 as Square, Inc. The Company was renamed  
 27  
 28

1 Block, Inc. in December 2021.<sup>6</sup> Shares of Block Class A common stock trade on the New York  
 2 Stock Exchange (“NYSE”) under the ticker symbol “XYZ.”

3       13. Defendant Jack Dorsey is Block’s chief executive officer (a position the Company  
 4 has termed its “Block Head” since April 2022) and Chairman of its Board of Directors (the  
 5 “Board”). He served in these positions throughout the Class Period.

6       14. Defendant Amrita Ahuja is Block’s current Foundational Lead, overseeing the  
 7 finance, legal, and people functions. Defendant Ahuja served as Block’s CFO throughout the  
 8 Class Period and as COO starting in February 2023.

9       15. Each of the Individual Defendants acted and/or made the statements detailed  
 10 herein in their capacities as an officer and/or director of Block. Each of the Individual Defendants  
 11 was directly involved in the management and day-to-day operations of the Company at the  
 12 highest levels and was privy to confidential proprietary information concerning the Company and  
 13 its business, operations, services, and present and future business prospects. In addition, the  
 14 Individual Defendants were involved in drafting, producing, reviewing, and/or disseminating the  
 15 false and misleading statements and information alleged herein, were aware of, or recklessly  
 16 disregarded, the false and misleading statements being issued regarding the Company, and  
 17 approved or ratified these statements, in violation of the federal securities law.

18       16. The Individual Defendants, because of their positions of control and authority as  
 19 officers and/or directors of the Company, were able to, and did, control the content of the various  
 20 SEC filings, press releases, and other public statements pertaining to the Company during the  
 21 Class Period. Each Individual Defendant was provided with copies of the documents alleged  
 22 herein to be misleading before or shortly after their issuance, participated in conference calls with  
 23 investors during which false and misleading statements were made, and/or had the ability and/or  
 24 opportunity to prevent their issuance or cause them to be corrected. Accordingly, each Individual  
 25 Defendant is responsible for the accuracy of the public statements detailed herein and is,  
 26 therefore, primarily liable for the representations contained therein.

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<sup>6</sup> For ease of reference, this Complaint uses “Block” or “the Company” to refer to all iterations of  
 Defendant Block, including when it was known as Square, Inc.

1       **IV. SUMMARY OF THE FRAUD**

2           **A. Block Offers Mobile-First Financial Services for the Social Media Era.**

3           17. Dorsey and Jim McKelvey founded Block in 2009. The Company's first offering  
 4 was Square: a mobile credit card reader designed to facilitate electronic payment acceptance for  
 5 small businesses. Dorsey envisioned the company as a revolutionary personal finance social  
 6 network. Under Dorsey's direction, Block evolved into a multifaceted platform offering a suite of  
 7 financial products and services to both businesses and consumers.

8           18. Block describes its corporate architecture as an "ecosystem of ecosystems,"  
 9 meaning the company's offerings are organized into a small number of distinct but interconnected  
 10 business units, each targeting a specific user base. Each "ecosystem" operates with a degree of  
 11 autonomy while remaining strategically aligned through shared infrastructure and leadership  
 12 oversight. Block's two main ecosystems are Square and Cash App.

13          19. The Company designed the Square ecosystem for businesses, or "sellers." It offers  
 14 tools for point-of-sale processing, inventory and customer relationship management, payroll,  
 15 loans, and banking united under a single platform. In 2024, the Seller segment generated  
 16 approximately \$3.6 billion in gross profit, accounting for roughly 40% of Block's gross profit.

17          20. Block geared the Cash App ecosystem toward individual consumers, and it serves  
 18 as a mobile-based financial platform offering services across payments, banking, investing,  
 19 cryptocurrency, tax filing, and small-dollar lending. Launched in 2013 under the name "Square  
 20 Cash," Cash App began as a mobile-first tool that enabled users to send money using just a debit  
 21 card and an email address or phone number, circumventing traditional banking infrastructure that  
 22 would otherwise typically require proof of identification, place of residence, an SSN or Individual  
 23 Taxpayer Identification Number, and other personal identification information. It offered a fast  
 24 digital alternative to physical cash—hence its name.

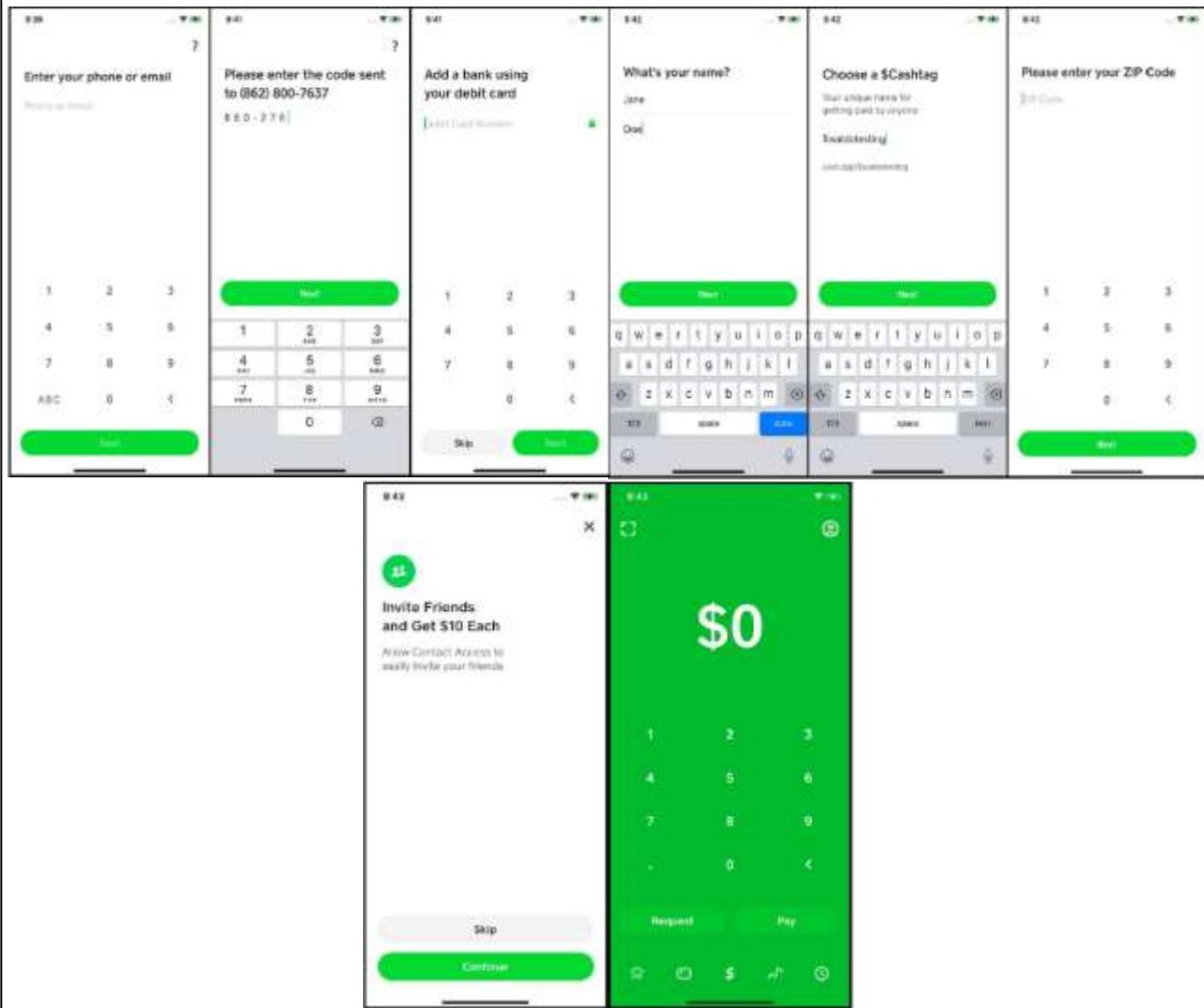
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1        21. Block designed Cash App as a social networking app, aiming to replicate the  
 2 simplicity and viral reach of Facebook, Instagram, and Twitter/X. The signup process was  
 3 intentionally designed to require minimal information—just a ZIP Code and an email address or  
 4 phone number. The app's interface was equally deliberate in its design: smooth, intuitive, visually  
 5 minimalistic, and touch-friendly. The onboarding screenshots<sup>7</sup> below illustrate how effortlessly  
 6 users could begin using the platform:



22. Cash App employs gamified design features to increase user engagement and drive  
 23 frequent transactional activity. These include animated cash rewards, limited-time “Boost”

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 28        <sup>7</sup> These screenshots are October 2020 captures of Cash App hosted on  
 http://uxarchive.com/flow/cash-app/app-74e22761884c303d/onboarding/appflow-  
 02fdd7c8dd6e8763 (accessed June 10, 2025).

1 promotions, and referral bonuses that grant instant credits to both the referring and new user  
 2 following account creation and a first transaction.

3       23. Block executives highlighted Cash App’s ability to deliver instant access to wages,  
 4 transfers, and government benefits, particularly for users who might find it difficult to sign up for  
 5 traditional bank accounts, or who might otherwise face overdraft penalties or multi-day delays.

6       24. Over time, Cash App evolved into a full-service financial application offering a  
 7 wide array of consumer-facing tools, allowing users to store balances within the app, receive  
 8 wages or benefits through direct deposit, make purchases using a Cash App-issued Visa debit  
 9 card, send and receive peer-to-peer payments, buy and sell bitcoin, invest in publicly traded  
 10 equities through fractional shares, and file personal income taxes.

11       25. During the Class Period, Cash App became an increasingly important part of  
 12 Block’s business. In 2020, it generated \$1.23 billion in gross profit, about 45% of the Company’s  
 13 total. By 2024, Cash App’s gross profit had more than quadrupled to \$5.24 billion, making up  
 14 approximately 59% of Block’s total gross profit.

15       26. Cash App’s business model relies on two primary levers for revenue growth:  
 16 (1) acquiring new users, and (2) monetizing existing users by expanding their engagement across  
 17 multiple products and encouraging higher fund inflows.

18       27. During the Class Period, the growth of Cash App’s user base was Block’s “North  
 19 Star.” As Cash App’s then-CEO Brian Grassadonia explained at Block’s 2022 Investor Day,  
 20 “everything we built was towards achieving a low-cost customer acquisition model that could  
 21 scale our network virally and eventually become massive.”

22       28. Block measured the expansion of its user base by publicly reporting to investors  
 23 the number of active Cash App users who conducted transactions within a specified period—  
 24 typically monthly or annually.

25       B. **Cash App’s “Frictionless” User Experience Was a Magnet for Fraud and**  
 26 **Criminality.**

27       29. Cash App’s “frictionless” user experience—paired with its failure to implement  
 28 AML protocols, KYC procedures, and sanctions controls—transformed the platform into a

1 magnet for bad actors. These individuals exploited the Company's lax oversight to create  
 2 numerous duplicate and fraudulent accounts, which in turn artificially inflated the Company's  
 3 reported active user metrics by as much as 30%.

4       30. Under federal and state law, money transmitters and virtual currency businesses  
 5 like Block are required to establish and enforce risk-based KYC procedures to verify customer  
 6 identities at onboarding and to reassess user integrity over time. These are core operations for  
 7 payment-processing and fintech companies as these procedures are intended to prevent the use of  
 8 financial platforms by criminals employing fake, stolen, or synthetic identities, and to detect  
 9 repeat or impersonated users attempting to evade controls.

10      31. Block deliberately underinvested in its compliance infrastructure. **FE 9**, the former  
 11 OFAC Sanctions and KYC Lead at Cash App<sup>8</sup>—with over 18 years of compliance experience at  
 12 financial institutions prior to joining Block—described Cash App's compliance environment as a  
 13 toxic “Wild West” marked by pressure on compliance personnel to approve high-risk accounts  
 14 with minimal checks. As further detailed below, other former Block employees shared that Block  
 15 cultivated a culture where executives routinely disregarded experienced compliance professionals  
 16 and that Block retaliated against compliance personnel advocating for stricter compliance  
 17 measures.

18      32. Throughout the Class Period, Cash App was plagued by major U.S. sanctions  
 19 compliance deficiencies that Block failed to remedy in a prompt or thorough manner, even after  
 20 they were identified. For example, by 2020, Block had accumulated a transaction monitoring  
 21 backlog that had grown to 169,000 alerts. As another example, in 2022 Block discovered that  
 22 approximately 30 members of a Russian criminal network opened **8,359** Cash App accounts using  
 23 falsified information, adding thousands of bogus, prohibited users to Cash App's publicly  
 24 reported user base totals. Even when Block closed an account due to problematic activity, it often  
 25 permitted the same user to open new accounts.

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26  
 27      <sup>8</sup> From December 2021 to June 2024, **FE 9** oversaw onboarding, sanctions screening, and due  
 28 diligence processes for a large, multinational team comprising over 70 full-time employees and  
 additional contingent workers. **FE 9** led core compliance functions across the United States,  
 United Kingdom, and Ireland.

1           33. FEs have further corroborated the longstanding deficiencies in Cash App's  
 2 adherence to U.S. sanctions laws:

3           a.       **FE 1**, who had first-hand experience with Cash App's sanctions program,  
 4 reported that Cash App's sanctions team maintained a growing log of the U.S. Treasury  
 5 Department Office of Foreign Assets Control ("OFAC") sanctions violations missed by internal  
 6 controls. By the time of **FE 1**'s departure from Block,<sup>9</sup> this log included "hundreds" of entries—  
 7 possibly as many as 800—which had never been properly disclosed to OFAC.

8           b.       **FE 5**,<sup>10</sup> who worked as a Behavioral Insights Investigator at Cash App,  
 9 similarly disclosed that Block submitted few SARs to FinCEN related to Cash App transactions.  
 10 Of the few SARs that were submitted, many were allegedly altered to downplay the severity of  
 11 the underlying conduct, apparently in an attempt to limit Block's regulatory exposure.

12          c.       Shortly after joining Cash App, **FE 9** identified a systemic failure in  
 13 sanctions enforcement when they reviewed a "Missed Block Report" and discovered that  
 14 transactions involving sanctioned jurisdictions—such as Cuba—were not being properly blocked.  
 15 Although these transactions were flagged on Day 2 of Cash App's screening process, by that  
 16 point the funds had already been released. **FE 9** described this as a fundamental failure that even  
 17 a basic compliance program should have prevented. **FE 9** raised the issue internally with both the  
 18 global sanctions team and Block's Global Head of Sanctions. However, they were told that the  
 19 company did not want to self-report the violations to OFAC, fearing it would trigger a broader  
 20 regulatory investigation. To **FE 9**'s knowledge, Block had not submitted a self-disclosure by the  
 21 time they left in mid-2024. The "missed block" issues were discussed in internal steering  
 22 committee meetings and were brought to the attention of senior leaders, including Block's senior-  
 23 most compliance officers, including its Chief Compliance Officer ("CCO").

24          34. Former Block compliance employees reported that Cash App's weak controls  
 25 enabled a recurring pattern: users banned for fraud or other prohibited activity could easily create  
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27          <sup>9</sup> **FE 1** disclosed their detailed concerns about Block's sanctions program during their exit  
 interview, telling Block, "You have a serious problem here."

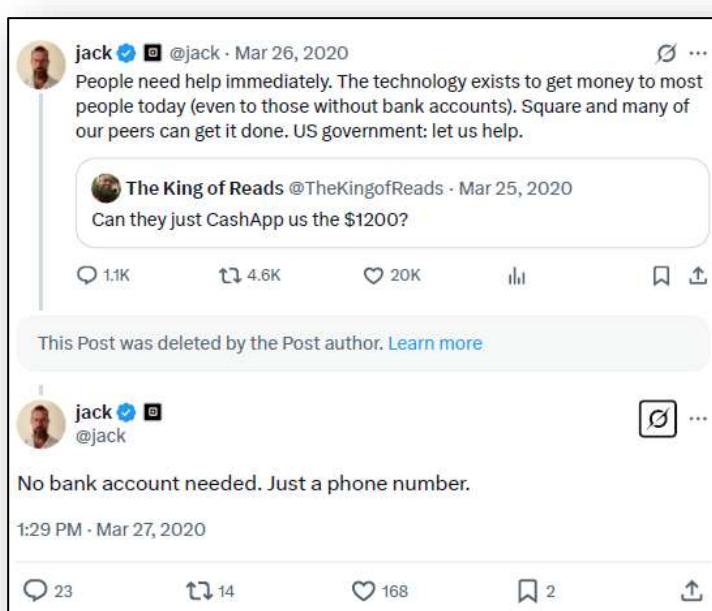
28          <sup>10</sup> **FE 5** stated they were not directly involved in filing SARs but were familiar with the SAR  
 team's operations.

1 new accounts using different email addresses or phone numbers—even when those users had  
2 earlier provided their full SSNs. Block often blacklisted only the flagged account, not the  
3 individual user, allowing repeat offenders to maintain or regain access to the platform. These  
4 banned users were frequently linked to networks of accounts suspected of fraudulent conduct,  
5 which Block failed to detect or disrupt. Without robust identity verification or effective  
6 transaction monitoring, individuals operated multiple accounts under false or synthetic identities.  
7 These systemic failures not only facilitated ongoing fraud but also artificially inflated Cash App's  
8 reported user metrics—the primary benchmarks utilized by investors to value Block's stock.  
9 According to the Hindenburg Report, based on interviews with former Block employees, between  
10 40% and 75% of the Cash App accounts they reviewed were fake, involved in fraud, or tied to a  
11 single user opening multiple accounts.

12       35. Several FEs have likewise described Cash App as a favored tool for illicit actors,  
13 citing the platform's lax controls and management's unwillingness to address known risks. **FE 5**  
14 reported that Block routinely disregarded red flags suggestive of illicit conduct, including money  
15 laundering and human trafficking, in an apparent effort to avoid triggering regulatory scrutiny.  
16 According to fraud investigator **FE 6**, Cash App became, during their tenure at the Company, the  
17 platform of choice for criminals engaged in drug trafficking and the distribution of child sexual  
18 abuse material. While acknowledging that bad actors can misuse any financial platform, **FE 6**  
19 noted that “They aren’t using Bank of America as much as they’re using Cash App.”

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1       36. Over time, Cash App also became a vector for fraudulent schemes. For example,  
 2 Cash App became a major vehicle for benefits fraud during the COVID-19 pandemic. Block  
 3 heavily promoted the platform's ability to rapidly disburse federal stimulus funds—highlighted  
 4 by Dorsey's tweets:



16       37. The campaign was effective: 11 million people activated direct deposit or opened  
 17 new deposit-enabled accounts, providing a critical boost to Block's business as demand for  
 18 Square's merchant-facing products plummeted during the pandemic. But the rapid growth came  
 19 at a cost. Several states identified Cash App as leading sources of fraudulent unemployment  
 20 claims and payments, seeking to claw back over \$700 million in fraudulent payments.

21       38. **FE 6** recounted further examples of Cash App malfeasance. One was a large-scale  
 22 fraud targeting U.S. military personnel, resulting in nearly \$500,000 in losses. Fraudsters used  
 23 Cash App accounts to pose as a military payroll entity, deceiving active-duty service members  
 24 into sending payments under the false premise of back pay collection. Block continued to allow  
 25 the transactions to be processed through Cash App even after internal alerts were raised and law  
 26 enforcement began investigating. In another example, **FE 6** reported that Cash App was  
 27 commonly used in sextortion schemes in which overseas scammers extorted teenagers by

1 funneling illicit payments through U.S.-based money mules. Some of these cases had devastating  
 2 consequences, including suicides. Despite internal awareness of the problem, Block failed to  
 3 implement meaningful countermeasures.

4       39.     Block's KYC systems also failed to effectively screen for obvious impersonation.  
 5 In 2023, Hindenburg researchers were able to create Cash App accounts under the names "Elon  
 6 Musk" and "Donald Trump," order physical Cash Cards linked to those names, and successfully  
 7 conduct transactions without triggering any verification safeguards or identity validation checks.  
 8 Likewise, multiple FEs who worked in compliance-related positions described Cash App's KYC  
 9 program as fundamentally inadequate throughout the Class Period:

10           a.     **FE 5** described Cash App's KYC practices as seriously deficient, with  
 11 users often maintaining dozens of accounts and bypassing identity verification.

12           b.     **FE 6** corroborated these deficiencies, noting that Block did not implement  
 13 meaningful KYC measures—such as SSN verification and account limits—until late 2023,  
 14 following the Hindenburg Report. Before then, users could create hundreds of accounts with  
 15 minimal identity checks. **FE 6** characterized Block's internal compliance controls as a "complete  
 16 disaster."

17           c.     **FE 3** highlighted critical flaws in Cash App's onboarding process,  
 18 including the absence of a cap on verification attempts—users could fail 49 times and succeed on  
 19 the 50th. Moreover, the system failed to track repeated failed attempts across different identities.  
 20 When **FE 3** raised these concerns, the product team dismissed the proposals, citing concerns  
 21 about introducing "friction"—that is, "anything that would slow down [a user's] use of Cash  
 22 App"—to the Cash App experience.

23           d.     **FE 1** recounted that a user successfully passed identity verification by  
 24 submitting a photo of a Barbie doll instead of valid ID—demonstrating the ease with which users  
 25 could circumvent Cash App's KYC protocols.

26           e.     **FE 9** recalled discovering accounts registered under names such as "Jesus  
 27 Christ" and "Barbie." **FE 9** also noted that, for most of their tenure, there was no meaningful  
 28 Know Your Business (*i.e.*, the business counterpart to KYC) program in place.

1                   f.         **FE 8** reported that a “big” weakness in Cash App’s compliance program  
 2 was its account creation process—customers could open accounts using only an email address.  
 3 Identity verification and user communication were also conducted via email. As a result,  
 4 individuals routinely created multiple accounts using the same email address and frequently  
 5 registered them with fraudulent identification documents—practices that occurred “pretty  
 6 regularly,” essentially “every day.” **FE 8** described the compliance environment at Cash App as  
 7 resembling the “Wild West.”

8                   g.         **FE 2** recalled that Cash App withheld information from its banking  
 9 partners in ways that impeded KYC due diligence. **FE 2** noted, “There were other potential bank  
 10 partners who would not work with us because of the information we would not give them.” **FE 2**  
 11 further confirmed that Block deliberately avoided collecting information typically required under  
 12 KYC standards, stating, “We maintained that there was certain information that we did not have  
 13 to collect at the time of account opening.”

14                  40.      Cash App’s inadequately monitored Bitcoin functionality was also a significant  
 15 and ongoing source of compliance deficiencies throughout the Class Period:

16                  a.         According to **FE 1**, Block’s compliance leadership was well aware of the  
 17 risks associated with Bitcoin transactions. However, the company’s response was marked by  
 18 organizational inertia, conflicting internal guidance, and a failure to take decisive action. This  
 19 sustained neglect, they explained, allowed non-compliant activity to continue unchecked and  
 20 reflected a broader institutional failure to manage cryptocurrency-related risks.

21                  b.         **FE 7**, Block’s Head of Bitcoin Compliance, stated that they regularly  
 22 escalated compliance concerns through formal channels—including weekly documented one-on-  
 23 one meetings with CCO Amelia Childress, submissions to the Board’s Audit and Risk  
 24 Committee, and in strategic planning documents. Despite these efforts, **FE 7** reported that their  
 25 submissions concerning compliance issues were frequently rejected or diluted, impeding effective  
 26 compliance oversight and reflecting a corporate culture that prioritized growth and profitability  
 27 over security and experienced leadership.

28

1                   c.         One major point of conflict arose when **FE 9**'s team was pressured to  
 2 approve a bitcoin transaction valued between \$1–2 billion for an account linked to a friend of  
 3 Cash App's CEO, Brian Grassadonia. **FE 9** refused, citing that the transaction was high-risk,  
 4 poorly understood, and inconsistent with company protocols. After documenting their concerns in  
 5 Slack and requesting a discussion, their supervisor followed up with a call during which **FE 9** was  
 6 repeatedly pressured to approve the transaction. When **FE 9** continued to resist, they escalated the  
 7 matter to an internal ethics officer—their only use of that channel during their time at the  
 8 company—who ultimately declined to approve the transaction, stating it fell outside normal  
 9 business practices. **FE 9**'s supervisor later remarked that the transaction would likely be approved  
 10 by the Board regardless, suggesting the compliance review was only a formality meant to convey  
 11 the appearance of oversight. **FE 9** described the episode as an effort to force a “rubber stamp.”

12                  C.         **For Much of the Class Period, Defendants Were Aware of But Did Nothing to**  
 13                   **Remedy Cash App's Glaring Compliance Issues.**

14                  41.         Dorsey, Ahuja, and other senior leaders at Block were aware of—yet failed to  
 15 disclose—these significant compliance deficiencies and the resulting inflation of Cash App's user  
 16 base figures. As detailed further below in Section VI, Dorsey and Ahuja were repeatedly apprised  
 17 of critical compliance failures by internal reports and personnel. Dorsey received Board-level  
 18 materials that highlighted Cash App's persistent compliance issues. Dorsey nevertheless directed  
 19 strategic and personnel decisions that deliberately weakened Cash App's compliance  
 20 infrastructure and kept non-performing personnel in key compliance positions. Both Dorsey and  
 21 Ahuja also had ongoing visibility into compliance issues through all-hands meetings and internal  
 22 forums. Their involvement in governance structures—most notably Dorsey's dual role as CEO  
 23 and Board Chair—provided direct access to risk assessments that went to Block's Audit and Risk  
 24 Committee. Multiple FEs have reported that senior executives, including Block's Chief Legal  
 25 Officer (“CLO”) Sivan Whiteley and CCO Amelia Childress, also knew of these failures but took  
 26 no corrective action or actively suppressed internal dissent. This misconduct coincided with  
 27 substantial insider stock sales during the Class Period, with Dorsey and Ahuja together selling  
 28 over \$650 million in Block Class A common stock.

1       42. Defendants also repeatedly learned of Block's compliance deficiencies through  
 2 external assessments. According to **FE 2**, who served as a regulatory counsel at Block, Afterpay's  
 3 former CCO remarked to Block employees following the 2022 acquisition of Afterpay, "You all  
 4 don't have a compliance program at all." In 2023, two third-party compliance reviews echoed this  
 5 assessment, according to **FE 2**. The first review, commissioned by Cash App's leadership, was  
 6 reportedly suppressed by that team once it returned unfavorable findings. A second, independent  
 7 review was later commissioned by Block's broader leadership. **FE 2**, who personally reviewed  
 8 both reports, stated that each reached the same conclusion: Block lacked an adequate compliance  
 9 program. Despite these explicit warnings, Block's senior executives reportedly disputed the  
 10 reviews' methodologies, sought to undermine their findings, and failed to implement meaningful  
 11 remedial measures.

12       43. Instead of sharing these known problems with the market, Block's senior  
 13 executives hid them with positive statements about regulatory compliant growth. For instance, in  
 14 the first quarter analyst call for 2023, Defendant Ahuja represented that Block had "significantly  
 15 grown our investment in compliance over the last few years. . . . These dedicated compliance  
 16 resources support our business units and our customers that our business units serve and  
 17 ultimately provide oversight across the ecosystem."

18       **D. In March 2023, the Hindenburg Report Begins to Expose the Truth About**  
 19 **Cash App's Compliance Failures and Inflated User Metrics.**

20       44. The truth about Cash App's inadequate compliance practices, the illicit activity  
 21 that they attracted and enabled, and the artificial inflation of Cash App's key user base metrics  
 22 they caused, began to emerge through a series of investigative reports—first from Hindenburg in  
 23 March 2023, and later from NBC News publishing whistleblower accounts in early 2024. These  
 24 independent investigative reports, and the regulatory actions that followed, exposed Block's  
 25 compliance failures and their impact on artificially inflated user base numbers and growth.

26       45. On March 23, 2023, Hindenburg, a respected short-seller, published a report titled  
 27 "*Block: How Inflated User Metrics and "Frictionless" Fraud Facilitation Enabled Insiders to*

1       *Cash Out Over \$1 Billion*" (defined above as the "Hindenburg Report").<sup>11</sup> Based on a two-year  
 2 investigation, the Hindenburg Report asserted that Block enabled widespread fraud through its  
 3 Cash App platform by failing to implement basic compliance controls which, in turn, resulted in  
 4 significantly overstated user metrics through the inclusion of fake, duplicative, and fraudulent  
 5 accounts.

6           46.      The Hindenburg Report drew upon interviews with dozens of former employees  
 7 (many identified by job title), partners, and industry experts; information obtained through  
 8 Freedom of Information Act and other public records requests; federal indictments involving sex  
 9 trafficking and child pornography that referenced Cash App; whistleblower testimony, including  
 10 a sworn declaration (affidavit) by a former engineering manager filed in federal court in July  
 11 2021; internal documents and screenshots; and independent testing and law enforcement records.

12           47.      Hindenburg's investigation concluded Block's business model was fundamentally  
 13 reliant on "the [C]ompany's willingness to facilitate fraud against consumers and the  
 14 government." According to the Hindenburg Report, Cash App's deficient compliance protocols  
 15 made it "easy for bad actors to mass-create accounts for identity fraud and other scams, then  
 16 extract stolen funds quickly." Former employees and law enforcement documents cited in the  
 17 report indicated that Cash App was used to facilitate illegal activity ranging from widespread  
 18 identity fraud, consumer scams, and fraudulent collection of government benefits disbursements  
 19 to reported uses for sex trafficking and contract killings.

20           48.      Hindenburg found that "Cash App's embrace of non-compliance begins by making  
 21 it easy for users to get on the platform, easy for them to get back on the platform if their accounts  
 22 are closed, and easy to remain anonymous or operate under blatantly false identities."

23           49.      A central allegation in the Hindenburg Report was that Block "wildly overstated  
 24 its genuine user counts," misleading investors about the scale of Cash App's user base. Former  
 25 employees interviewed by Hindenburg estimated that between 40% and 75% of the accounts they  
 26 reviewed were fake, fraudulent, or duplicative. The report criticized Block's use of the  
 27 "transacting actives" metric, adopted in February 2022, which Hindenburg claimed obscured the

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28           <sup>11</sup> The Hindenburg Report is attached as **Exhibit A**. This report and all other documents attached  
 as exhibits to this Amended Complaint are incorporated by reference hereto.

1 true number of individual users by including multiple accounts tied to the same person, as well as  
 2 fraudulent accounts and accounts tied to illicit activities. Hindenburg asserted that Block  
 3 internally tracked more accurate data—including metrics for unique SSNs and verified  
 4 accounts—but chose not to disclose those figures to investors.

5 50. Block requires customer identity “verification” only for accounts that meet certain  
 6 transacting thresholds, use a Cash App Card, buy bitcoin or stocks, or sponsor a minor. Thus,  
 7 millions of Cash App accounts that did not meet these criteria remain unverified, and the  
 8 Company had no way of knowing how many individuals were associated with those accounts, or  
 9 whether they were fraudulent, duplicative, or fake.

10 51. Consistent with the Hindenburg Report, several FEs have since confirmed that it  
 11 was known internally at Block that Cash App’s reported user metrics were misleading:

12 a. **FE 6** stated that they believed the user numbers Block reported in its  
 13 financial disclosures were materially misleading, noting that during their tenure it was known that  
 14 Cash App allowed users to create hundreds of fake accounts while evading KYC checks. As **FE 6**  
 15 explained: “It always rubbed me the wrong way” when “they were reporting the financial  
 16 statements to investors,” because “that number was never true or accurate because one person  
 17 could have dozens of accounts.”

18 b. **FE 3** and **FE 1** pointed to the lack of controls to limit multiple account  
 19 creation or ensure reliable user verification. According to **FE 1**, Block failed to implement  
 20 effective mechanisms to detect or prevent individuals from opening multiple accounts, which  
 21 undermined detection thresholds and artificially inflated the company’s user metrics. As **FE 1** put  
 22 it: “We don’t even know how many actual people those are. It could be one person with like a  
 23 million accounts.”

24 c. **FE 9** raised serious concerns about the integrity of Cash App’s user  
 25 metrics. They explained that the company routinely allowed individuals to open multiple  
 26 accounts—sometimes as many as 1,000 per person. These duplicate accounts artificially inflated  
 27 customer metrics and imposed significant compliance and operational burdens. Although a cap of  
 28

1 five accounts per person was eventually implemented, it applied only prospectively and was not  
 2 accompanied by any retroactive cleanup.

3 52. In an article about the Hindenburg Report the day it was issued, Bloomberg News  
 4 noted:

5 Investors have long worried about Cash App as well as many of its mobile-money  
 6 rivals such as PayPal Holdings Inc.'s Venmo, which have faced scrutiny in recent  
 7 months as fraudsters have seized the technology to fool consumers into sending  
 8 them payments. But in its research, Hindenburg alleges Cash App's problems go  
 9 deeper and can be traced back to shortcomings in compliance protocols. . . .  
 Investors have been on high alert for such activity ever since PayPal last year  
 announced it closed 4.5 million accounts and lowered its forecast for new customers  
 after finding "bad actors" were taking advantage of its incentives and rewards  
 programs.

10 53. In response the following day, the price of Block Class A common stock fell  
 11 nearly 15%, from \$72.65 per share to \$61.88 per share, and continued to fall the next trading day.

12 **E. Defendants Were Concerned About the Hindenburg Revelations Regarding**  
**the Company's User Metrics and Compliance Protocols.**

13 54. Internally, Defendants acknowledged that the allegations in the Hindenburg Report  
 14 had merit—according to **FE 7**, Block's leadership was "so concerned" about the Hindenburg  
 15 Report "because it was true."

16 55. Externally, though, Defendants were defiant. On March 23, 2023—the very day  
 17 the Hindenburg Report was published—Block issued a statement dismissing the report as  
 18 "factually inaccurate and misleading" and announced that it was "exploring legal action against  
 19 Hindenburg."

20 56. On March 30, 2023, Block issued a more detailed response that continued to  
 21 deceive the market about its compliance with AML and KYC requirements, claiming its  
 22 "approach to compliance is consistent with other financial services platforms," and that "the  
 23 company's compliance investments have grown more than twice as fast as overall gross profit,  
 24 and compliance investments have also meaningfully increased as a percentage of our overall  
 25 operating expenses." Block stated that 44 million of its 51 million monthly transacting accounts  
 26 were associated with verified identities, and that those accounts were in turn associated with 39  
 27 million unique SSNs, but did not dispute that millions of accounts remained unverified and failed  
 28

1 to address core Hindenburg allegations concerning fraud facilitation, interchange fee evasion, and  
 2 compliance breakdowns.

3       57. Block also attempted to minimize the impact of the Hindenburg Report internally.  
 4 After the Report’s release in 2023, Block leadership circulated an internal memo attacking the  
 5 report’s findings. During a subsequent call with CLO Whiteley, fraud investigator **FE 6** openly  
 6 criticized Block’s internal memo as “ridiculous” and inconsistent with both **FE 6**’s investigative  
 7 findings and ongoing law enforcement activity. Whiteley dismissed **FE 6**’s concerns. Shortly  
 8 thereafter, **FE 6** was formally reprimanded for their remarks during the call and disciplined for  
 9 speaking out.

10      F. **Further Corrective Disclosures Reveal the Falsity of Defendants’ Statements**  
 11      **Regarding Compliance and Cash App User Metrics.**

12       58. In response to Block’s public-facing denial, on March 31, 2023, Hindenburg  
 13 Research published a second report titled “*Block’s Response Confirmed Inflated User Counts*  
 14 *While Ignoring Other Key Issues.*”<sup>12</sup> The follow-up report challenged the credibility of Block’s  
 15 denial and alleged that Block’s detailed response to the Hindenburg Report (*see ¶ 56*) confirmed  
 16 the Company’s reported user metrics were materially overstated and its internal controls were  
 17 deficient. Hindenburg highlighted that Block’s response had, for the first time, disclosed that its  
 18 51 million “monthly transacting actives” included approximately 7 million accounts not  
 19 associated with a verified identity. Based on Block’s own numbers—44 million verified accounts  
 20 tied to 39 million unique Social Security numbers—Hindenburg estimated that Block’s reported  
 21 “transacting actives” totals were inflated by as much as 16–31%.

22       59. On August 3, 2023, Block filed its Form 10-Q for the second quarter of 2023,  
 23 signed and certified by defendants Dorsey and Ahuja as materially complete and accurate. The  
 24 filing disclosed that Block had received inquiries from the SEC and DOJ following the March  
 25 2023 publication of the Hindenburg Report, which the Company acknowledged were likely  
 26 related to the Report’s allegations. Following this disclosure, Block’s Class A common stock  
 27 declined nearly 14%, dropping from \$73.55 to \$63.52 per share on August 4, 2023.

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28       <sup>12</sup> This report is attached as **Exhibit B.**

1       60. On February 16, 2024, NBC News published investigative reports based on  
 2 disclosures from two former Block employees whom NBC News concluded were  
 3 “knowledgeable on financial services compliance issues,” and who revealed new information  
 4 about the pervasive compliance failures within Cash App. The whistleblowers’ complaints, which  
 5 NBC News reviewed, alleged Cash App lacked effective customer due diligence procedures,  
 6 enabling users to create accounts and conduct transactions without meaningful identity  
 7 verification. They described Block’s “frictionless onboarding” as a “shadow financial system  
 8 beyond the reach of regulators,” in which Cash App knowingly facilitated transactions with  
 9 sanctioned entities and illicit businesses, including operations involved in selling stolen personal  
 10 information, offshore gambling prohibited to U.S. citizens, and potentially terrorism financing.  
 11 The whistleblowers further alleged that Cash App had “no effective procedure” to establish  
 12 customer identities and that transactions involving entities under sanction by OFAC were  
 13 routinely processed without adequate screening. The complaints detailed that Block’s compliance  
 14 deficiencies dated back to at least 2016 and persisted through 2022. The whistleblowers claimed  
 15 to have submitted formal complaints to the Financial Crimes Enforcement Network (“FinCEN”),  
 16 the U.S. Securities and Exchange Commission (“SEC”), and the Commodity Futures Trading  
 17 Commission (“CFTC”). After the article was released, Block’s Class A common stock dropped  
 18 over 5%, from \$69.48 to \$65.64 per share on February 16, 2024.

19       61. On April 10, 2024, the National Center on Sexual Exploitation (“NCOSE”)  
 20 published a letter it sent to Block a week earlier advising that Cash App was placed on its annual  
 21 “Dirty Dozen List” of mainstream contributors to sexual exploitation and abuse.<sup>13</sup> The NCOSE  
 22 cited Cash App’s use in sex trafficking, child sexual abuse material transactions, and the sexual  
 23 extortion of minors, attributing this to its ease of use, anonymity, and rapid transfers. It urged  
 24 Block to implement stringent age and identity verification, require adult sponsorship at sign-up  
 25 for minor aged accounts, enhance privacy and safety settings for minors, and partner with the  
 26 National Center for Missing and Exploited Children.

27  
 28

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<sup>13</sup> This letter is attached as **Exhibit C**.

1       62. On May 1, 2024, NBC News published another report revealing that federal  
 2 prosecutors were examining whistleblower allegations concerning Block's financial transactions,  
 3 including whether Block processed transactions for customers in sanctioned countries such as  
 4 Cuba, Iran, Russia, and Venezuela. According to the article, NBC News received 100 pages of  
 5 documents corroborating that these transactions occurred. Investigators were also probing  
 6 whether Cash App had facilitated cryptocurrency transactions for terrorist organizations. The  
 7 whistleblower stated: "From the ground up, everything in the compliance section was flawed . . . .  
 8 It is led by people who should not be in charge of a regulated compliance program." A second  
 9 person "with direct knowledge of Block's monitoring practices and programs" echoed the former  
 10 employee's allegations to NBC News. NBC News further reported that Edward Siedle, a former  
 11 Securities and Exchange Commission lawyer who represents the former employee and  
 12 participated in the discussions with prosecutors, said, "It's my understanding from the documents  
 13 that compliance lapses were known to Block leadership and the board in recent years." The  
 14 whistleblower likewise alleged that Block's senior management and Board were "informed of  
 15 extensive lapses at the company." In response, the price of Block Class A common stock declined  
 16 over 8%, falling from \$73.00 per share at market close on April 30 to \$66.84 per share.

17       63. On May 2, 2024—one day after the NBC News story broke—Dorsey attempted to  
 18 downplay the report during Block's Q1 2024 earnings call. He assured investors the article  
 19 concerned the same DOJ inquiry previously disclosed by Block, criticized the report for omitting  
 20 critical information about potential sanctions violations, and maintained Block had a "robust  
 21 control environment" along with "industry-leading blockchain analytics" to prevent terrorist  
 22 financing via Bitcoin transactions on Cash App. He also cited Block's "industry-leading machine  
 23 learning models and product controls aimed at detecting and preventing bad activity in real time."

24       **G. In 2025, Block Enters into Consent Orders with Federal and State Regulators  
 25 to Address Compliance Deficiencies.**

26       64. On January 15, 2025, Block entered into a Settlement Agreement and Consent  
 27 Order with state money transmission regulators from 48 states, coordinated through the  
 28 Conference of State Bank Supervisors and the Money Transmitter Regulators Association.<sup>14</sup> The

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<sup>14</sup> The Multistate Consent Order is attached as **Exhibit D**.

1 multistate investigation, initiated on May 15, 2023 shortly after the Hindenburg Report was  
 2 released, examined Block's compliance with state and federal AML laws between January 1,  
 3 2021, and March 31, 2023. Regulators identified systemic deficiencies in Block's AML Program,  
 4 including inadequate transaction monitoring, insufficient internal controls, and failure to comply  
 5 with Bank Secrecy Act obligations. Ultimately, pursuant to the Multistate Consent Order, Block  
 6 agreed to pay \$80 million and undergo independent AML program reviews under multistate  
 7 supervision.

8       65. On January 16, 2025, the Consumer Financial Protection Bureau ("CFPB") issued  
 9 the CFPB Consent Order<sup>15</sup> against Block. As the CFPB's then-Director Rohit Chopra stated in a  
 10 press release, "Cash App created the conditions for fraud to proliferate on its popular payment  
 11 platform." Then, "[w]hen things went wrong Cash App flouted its responsibilities and even  
 12 burdened local banks with problems that the company caused." The CFPB Consent Order also  
 13 recounted how Cash App tried to avoid its legal requirements and "used intentionally shoddy  
 14 investigation practices to close reports of unauthorized transactions in the company's favor." The  
 15 CFPB found that Block violated the Electronic Fund Transfer Act and Regulation E by failing to  
 16 reasonably investigate consumer reports of unauthorized transactions, systematically denying  
 17 fraud claims without investigation, requiring excessive documentation from consumers, and  
 18 improperly refusing refunds for verified unauthorized transfers. The CFPB further determined  
 19 that Block's practices constituted unfair acts or practices under the Consumer Financial  
 20 Protection Act. As part of the CFPB Consent Order, Block agreed to pay a \$55 million fine and at  
 21 least \$75 million and potentially up to \$120 million in consumer redress.

22       66. On April 10, 2025, NYDFS issued a Consent Order against Block following its  
 23 own examination of Cash App operations between February 28, 2021, and September 30, 2022.<sup>16</sup>  
 24 NYDFS found that Block failed to maintain an effective AML program, citing insufficient KYC  
 25 processes, a significant backlog of unfiled SARs, and inadequately calibrated transaction  
 26 monitoring. NYDFS also determined that Block failed to implement risk-based OFAC

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27  
 28       <sup>15</sup> The CFPB Consent Order is attached as **Exhibit E**.

<sup>16</sup> The NYDFS Consent Order is attached as **Exhibit F**.

1 compliance controls. Block agreed to pay a \$40 million civil penalty and undertake significant  
 2 remedial measures.

3       67. These government investigations and enforcement actions confirmed Block's  
 4 compliance failures were systemic, longstanding, and largely unremediated throughout the Class  
 5 Period. As regulators forced Block to improve its compliance infrastructure and activities, Cash  
 6 App saw a dramatically reduced amount of growth, resulting in five consecutive quarters of  
 7 stagnation in its reported user base metrics.

8       68. On May 1, 2025, Block missed its first-quarter earnings estimates and lowered its  
 9 profit forecast for the year, attributing the disappointing results to broader macroeconomic  
 10 conditions. However, analysts and investors, for the first time, fully connected stagnant user  
 11 growth on Cash App—unchanged at 57 million monthly active users for the fifth consecutive  
 12 quarter—as the true cause of the weak outlook. On May 2, 2025, as the market fully absorbed the  
 13 financial impact of increased regulatory scrutiny—which had forced Block to increase AML,  
 14 KYC, and sanctions controls and curtail its “frictionless” onboarding practices—the Company’s  
 15 stock fell over 20%, dropping from \$58.48 per share on May 1 to \$46.53 per share at market  
 16 close.

17       **V. DEFENDANTS ISSUED MATERIALLY FALSE AND MISLEADING**  
 18       **STATEMENTS DURING THE CLASS PERIOD.**

19       69. Defendants made numerous materially false and misleading statements about the  
 20 strength of Block's compliance, including its anti-fraud efforts and compliance with AML, KYC,  
 21 and sanctions laws and regulations. As set forth herein, the statements were materially false and  
 22 misleading because, *inter alia*, they omitted material facts about Cash App's deficient compliance  
 23 practices, including that: (1) Cash App's compliance infrastructure was chronically  
 24 under-resourced, fundamentally flawed, and reliant on substandard systems and processes for  
 25 customer due diligence, identity verification, and transaction monitoring that violated AML and  
 26 sanctions laws and enabled widespread fraud, illegal activity, and the creation of duplicate  
 27 accounts; (2) Cash App's “frictionless” user experience—characterized by lax onboarding  
 28 protocols—further facilitated misuse by bad actors engaged in identity theft, scams, and the

1 exploitation of public assistance programs; and (3) Block's senior leadership knowingly  
 2 deprioritized compliance in favor of growth, as evidenced by a large backlog of unresolved alerts  
 3 and a persistent failure to shut down accounts involved in illicit conduct. These statements also  
 4 materially misled investors by creating the false impression that Cash App's reported user metrics  
 5 were accurate and reliable because they were supported by sound compliance practices.

6       70. Defendants also made material misstatements concerning Cash App's user metrics  
 7 and user growth. As set forth herein, the user metric statements were materially false and  
 8 misleading because, *inter alia*, (1) they materially overstated the size and growth of Cash App's  
 9 user base by knowingly including large numbers of duplicate, fraudulent, and illicit accounts,  
 10 which proliferated due to Block's inadequate AML, KYC, and sanctions compliance controls;  
 11 (2) Block failed to disclose that internal data—including, but not limited to, information on  
 12 account verifications and the number of distinct SSNs linked to user accounts—indicated the  
 13 actual number of unique Cash App users was substantially lower than publicly reported; and/or  
 14 (3) for part of the Class Period, Block inflated Cash App's growth by comparing higher numbers  
 15 of "accounts" with lower "customer" metrics. The user metric statements were also materially  
 16 false and misleading for the reasons described by Dr. Daniel McCarthy, Ph.D., in section VII  
 17 below.

18       A. **Defendants Made Materially False and Misleading Statements in 2020.**

19           1. **February 26, 2020 Annual Report on Form 10-K (and Subsequent**  
 20 **Annual SEC Filings)**

21       71. The Class Period began on February 26, 2020, when Block filed its annual report  
 22 on Form 10-K for the fiscal year 2019 signed by Defendants Dorsey and Ahuja. In its 2019 10-K,  
 23 Block stated:

24       We are subject to anti-money laundering (AML) laws and regulations in the United  
 25 States and other jurisdictions. ***We have implemented an AML program designed***  
***to prevent our payments network from being used to facilitate money laundering,***  
***terrorist financing, and other illicit activity.*** Our program is also designed to  
 26 prevent our network from being used to facilitate business in countries, or with  
 27 persons or entities, included on designated lists promulgated by the U.S.  
 28 Department of the Treasury's Office of Foreign Assets Controls and equivalent  
 applicable foreign authorities. ***Our AML compliance program includes policies,***  
***procedures, reporting protocols, and internal controls,*** including the designation  
 of an AML compliance officer, and ***is designed to address these legal and***

1           *regulatory requirements and to assist in managing risk associated with money  
2 laundering and terrorist financing.*

3           Block repeated this language in substantially similar form in the subsequent Form 10-Ks it issued  
4 during the Class Period.<sup>17</sup>

5           72.       The highlighted statements in ¶ 71 above (and in each of the subsequent Form  
6 10-Ks) were materially misleading because they omitted material facts about Cash App's  
7 deficient compliance practices, including: (1) Cash App's compliance infrastructure was  
8 chronically under-resourced, fundamentally flawed, and reliant on substandard systems and  
9 processes for customer due diligence, identity verification, and transaction monitoring that  
10 violated AML and sanctions laws and enabled widespread fraud, illegal activity, and the creation  
11 of duplicate accounts; (2) Cash App's "frictionless" user experience—characterized by lax  
12 onboarding protocols—further facilitated misuse by bad actors engaged in identity theft, scams,  
13 and the exploitation of public assistance programs; and (3) Block's senior leadership knowingly  
14 deprioritized compliance in favor of growth, as evidenced by a large backlog of unresolved alerts  
15 and a persistent failure to shut down accounts involved in illicit conduct. These statements also  
16 materially misled investors by creating the false impression that Cash App's reported user metrics  
17 were accurate and reliable because they were supported by sound compliance practices.

18           2.       **Throughout 2020, Defendants Made False and Misleading Statements  
about User Metrics in Shareholder Letters and Earnings Calls.**

19           73.       On February 26, 2020, Defendants sent a letter to shareholders regarding the  
20 Company's Q4 2019 results. The letter was signed by Defendants Dorsey and Ahuja. In the letter,  
21 Defendants discussed the growth and strength of Cash App through the metric of "*active Cash  
22 App customers*," which the Company defined as a "*customer [with] at least one cash inflow or  
23 outflow during the specified period.*" Defendants represented that "*Cash App had approximately  
24 million monthly active customers in December 2019, achieving 60% year-over-year  
25 growth.*"

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26           <sup>17</sup> Block's 2020, 2021, and 2022 Form 10-Ks contained identical language regarding the  
27 Company's AML compliance efforts. Block's 2023 and 2024 Form 10-Ks contained similar  
28 language that stated in relevant part: "We have implemented [2023: an AML program / 2024:  
compliance programs and controls] designed to comply with the laws and regulations to which  
we are subject."

1       74. On May 6, 2020, Defendants sent a letter to shareholders regarding the Company's  
 2 Q1 2020 results. The letter was signed by Defendants Dorsey and Ahuja. In the letter, Defendants  
 3 again discussed the growth and strength of Cash App through the same metric of "***transacting***  
 4 ***active Cash App customers.***" Defendants represented that, in March 2020, "***Cash App added its***  
 5 ***largest number of net-new transacting active customers . . . before exceeding this monthly high***  
 6 ***again in April.***"

7       75. On August 4, 2020, Defendants sent a letter to shareholders regarding the  
 8 Company's Q2 2020 results. The letter was signed by Defendants Dorsey and Ahuja. In the letter,  
 9 Defendants again discussed the growth and strength of Cash App through the same metric of  
 10 "***transacting active Cash App customers.***" Defendants represented that Cash App's quarterly  
 11 "***[g]rowth was . . . driven by strong acquisition of net-new transacting active Cash App***  
 12 ***customers*** and increased adoption of other products in our ecosystem."

13       76. During the Company's August 5, 2020 earnings call, one analyst asked about "the  
 14 sustainability of Cash App":

15       Question: I heard the 200% growth in July and the 100% obviously was running at  
 16 before. So I know the sustainability question is really hard to answer, given stimulus  
 17 and the uncertainty there, but anything else to help maybe unpack the thinking if  
 18 stimulus isn't extended? What might happen? Then the 30 million users, how sticky  
 19 do you think that number is? You acquired them. How do you expect to retain them  
 20 and monetize that given the various scenarios that are out there?

21       Ahuja: ***First, as you noted, customer acquisition, which remains a top priority***  
 22 ***for Cash App, and we continued to rapidly expand our network here. In June, we***  
 23 ***had over 30 million monthly active[s], which is up approximately 25% just in the***  
 24 ***past six months, and this was followed in July by our highest month of net new***  
 25 ***actives added.***

26       77. During that same call, another analyst asked whether the Company had the  
 27 "components . . . for an SMB [small and medium business] digital bank," as distinguished from  
 28 Cash App's status as "the leading consumer digital bank or neobank in the U.S." As part of her  
 response, Ahuja described

29       [Cash App's] strong network effects, which leads to efficient acquisition. These  
 30 network effects obviously come from the peer-to-peer aspect of the service, where  
 31 Cash App can acquire new customers for a fraction of the cost of other banks or a  
 32 financial services company, and ***that's really enabled us to scale this network of***  
 33 ***active customers rapidly and efficiently now at 30 million monthly active and***  
 34 ***growing.***

1       78. Finally, an analyst asked whether Dorsey and Ahuja could provide “some more  
 2 color on the evolving demographics of these Cash App users.” She also asked, “in light of the  
 3 traction you’ve seen, what in your view could evolve to be Cash App’s total addressable user  
 4 base?” In response, Dorsey stated: “we do believe Cash App has reached a mainstream scale, and  
 5 that’s with over ***30 million monthly active customers in June. And these are monthly active***  
 6 ***customers, not overall accounts.***”

7       79. On November 5, 2020, Defendants sent a letter to shareholders regarding the  
 8 Company’s Q3 2020 results. The letter was signed by Defendants Dorsey and Ahuja. In the letter,  
 9 Defendants again discussed the growth and strength of Cash App through the metric of  
 10 ***“transacting active Cash App customers.”*** Defendants represented that “***Cash App saw increased***  
 11 ***engagement as customers adopted multiple products: In the third quarter of 2020, the number***  
 12 ***of average daily transacting active Cash App customers nearly doubled from the same period***  
 13 ***last year.”*** The letter also stated: “***Given Cash App’s strong growth during the third quarter,*** we  
 14 will continue to focus on customer acquisition and product velocity for Cash App. ***We see a***  
 15 ***compelling opportunity to invest in acquiring new customers, driven by peer-to-peer payments***  
 16 ***as well as creative marketing strategies.*** We intend to continue identifying opportunities to  
 17 launch new products and expand the ways that Cash App can help customers manage their  
 18 money.”

19       80. The statements in ¶¶ 73–79 were materially false and misleading because (1) they  
 20 materially overstated the size and growth of Cash App’s user base by knowingly including large  
 21 numbers of duplicate, fraudulent, and illicit accounts, which proliferated due to Block’s  
 22 inadequate AML, KYC, and sanctions compliance controls; and (2) Block failed to disclose that  
 23 internal data—including, but not limited to, information on account verifications and the number  
 24 of distinct SSNs linked to user accounts—indicated the actual number of unique Cash App users  
 25 was substantially lower than publicly reported. These statements were also materially false and  
 26 misleading for the reasons described by Dr. Daniel McCarthy, Ph.D., in section VII below.

27

28

1                   3.        **Block Made False and Misleading Statements about Cash App's**  
 2                   **Compliance Efforts in Response to 2020 Articles about Fraud on the**  
 3                   **Platform.**

4                  81.      On October 11, 2020, the *New York Times* ran an article about “fast fraud” on  
 5                  mobile payment apps. The article noted that “fraud issues have been particularly acute for . . .  
 6                  Cash App.” The article discussed the plight of Charee Mobley, who, “[a]fter seeing an errant  
 7                  online shopping charge on her Cash App, . . . called what she thought was a help line for it. But  
 8                  the line had been set up by someone who asked her to download some software, which then took  
 9                  control of the app and drained her account.” In response, a Block spokesperson said that the  
 10                 Company was “aware that there has been a recent rise in scammers trying to take advantage of  
 11                 customers using financial products, including Cash App. ***We've taken a number of proactive***  
***steps and made it our top priority.***”

12                 82.      The highlighted statement in ¶ 81 above was materially false and misleading  
 13                 because thwarting the rise in scammers was not, in fact, Cash App’s top priority, and because it  
 14                 omitted material facts about Cash App’s deficient compliance practices, including: (1) Cash  
 15                 App’s compliance infrastructure was chronically under-resourced, fundamentally flawed, and  
 16                 reliant on substandard systems and processes for customer due diligence, identity verification,  
 17                 and transaction monitoring that violated AML and sanctions laws and enabled widespread fraud,  
 18                 illegal activity, and the creation of duplicate accounts; (2) Cash App’s “frictionless” user  
 19                 experience—characterized by lax onboarding protocols—further facilitated misuse by bad actors  
 20                 engaged in identity theft, scams, and the exploitation of public assistance programs; and (3)  
 21                 Block’s senior leadership knowingly deprioritized compliance in favor of growth, as evidenced  
 22                 by a large backlog of unresolved alerts and a persistent failure to shut down accounts involved in  
 23                 illicit conduct. The highlighted statement also materially misled investors by creating the false  
 24                 impression that Cash App’s reported user metrics were accurate and reliable because they were  
 25                 supported by sound compliance practices.

26                 83.      Later that month, on November 18, 2020, CNBC ran another article about app-  
 27                 based financial fraud. The article note that “online complaints on Google Play and the App Store  
 28                 about fraud and scams have been on the increase this year, with the most related to Cash App.” In

1 response, a Cash App spokesperson said, “*Preventing fraud is critically important to Cash App.*  
 2 *We continue to invest in and bolster fraud-fighting resources by both increasing staffing and*  
 3 *adopting new technology. We are constantly improving systems and controls to help prevent,*  
 4 *detect, and report bad activity on the platform.*”

5       84.      The highlighted statement in ¶ 83 was materially false and misleading because  
 6 preventing fraud was not critically important to Cash App’s leadership and the Company was not  
 7 “increasing staffing” to address compliance failures, and because it omitted material facts about  
 8 Cash App’s deficient compliance practices, including: (1) Cash App’s compliance infrastructure  
 9 was chronically under-resourced, fundamentally flawed, and reliant on substandard systems and  
 10 processes for customer due diligence, identity verification, and transaction monitoring that  
 11 violated AML and sanctions laws and enabled widespread fraud, illegal activity, and the creation  
 12 of duplicate accounts; (2) Cash App’s “frictionless” user experience—characterized by lax  
 13 onboarding protocols—further facilitated misuse by bad actors engaged in identity theft, scams,  
 14 and the exploitation of public assistance programs; and (3) Block’s senior leadership knowingly  
 15 deprioritized compliance in favor of growth, as evidenced by a large backlog of unresolved alerts  
 16 and a persistent failure to shut down accounts involved in illicit conduct. The statement also  
 17 materially misled investors by creating the false impression that Cash App’s reported user metrics  
 18 were accurate and reliable because they were supported by sound compliance practices.

19       B.      Defendants Made Materially False and Misleading Statements in 2021.

20       1.      Throughout 2021, Defendants Continued to Make False and  
 21 Misleading Statements about User Metrics.

22       85.      On February 23, 2021, Defendants sent a letter to shareholders regarding the  
 23 Company’s Q4 2020 results. The letter was signed by Defendants Dorsey and Ahuja. In the letter,  
 24 Defendants again discussed the growth and strength of Cash App through the metric of  
 25 “*transacting active Cash App customers*,” which the Company defined as it did in the 2020  
 26 shareholder letters. Defendants represented that as of December 2020, “*Cash App had more than*  
 27 *36 million transacting active customers, up more than 50% year over year.*” Defendants pointed  
 28

1 to the “network effects” stemming from this “[g]rowing” network as the cause of the “***low***  
 2 ***acquisition cost of fewer than \$5*** in 2020 for a new transacting active customer.”

3 86. The Company’s Form 10-K, reporting Q4 2020 results, and signed by Defendants  
 4 Dorsey and Ahuja, similarly reported:

5 Our Cash App Customers: As of December 2020, Cash App had more than ***36 million monthly transacting active customers*** across the United States and  
 6 Europe who had at least one financial transaction using any Cash App product or  
 7 service during the specified period. In 2020, Cash App was the number one  
 8 finance app in both the iOS App Store and Google Play, and was the number nine  
 9 and number five app in the iOS App Store and Google Play, respectively, based  
 10 on downloads in the United States. Cash App has a diverse mix of customers. In  
 11 the United States, Cash App had transacting active customers in each of the 50  
 12 states and nearly every county as of December 2020.

13 87. On August 1, 2021, Defendants sent a letter to shareholders regarding the  
 14 Company’s Q2 2021 results. The letter was signed by Defendants Dorsey and Ahuja. In the letter,  
 15 Defendants again discussed the growth and strength of Cash App through the metric of  
 16 “***transacting active Cash App customers***”. Defendants stated:  
 17

18 We remain focused on the health of our network, including attracting and retaining  
 19 engaged customers. ***In June, Cash App reached 40 million monthly transacting***  
 20 ***active customers. With our marketing efforts, we are focused on attracting***  
 21 ***customers who could use more products and bring greater funds into our***  
 22 ***ecosystem.***

23 88. During the Company’s August 2, 2021 earnings call, Ahuja stated:

24 From a Cash App perspective, we’ve seen that as we’ve added that weekly and  
 25 daily utility with additional products and features and functionality in the Cash App  
 26 that our customers have exhibited growing engagement with us. Weekly actives  
 27 have steadily increased as a percent of monthly actives over time with nearly now  
 28 two-thirds of our monthly – ***40 million monthly actives using Cash App each week on average in June.*** This engagement has, in turn, driven monetization as inflows  
 and product adoption has increased. ***Gross profit per transacting active was up 2.5 times from two years ago in the quarter and up one third from just two quarters ago.*** Historically, what we’ve seen is that ***the average customer who adopts two or more products in Cash App generates 3 times to 4 times the gross profit compared to the average peer-to-peer customer.***

29 89. During the Company’s November 4, 2021 earnings call, characterizing the growth  
 30 of Cash App’s user base, Ahuja said: “I think a key focus area for us is the ***engagement of this***  
 31 ***customer base.*** As we said, back in June, ***nearly two thirds of those 40 million monthly actives***  
 32 ***that you referenced transacted each week on average across our Cash App ecosystem.***”

1       90.     The highlighted statements in ¶¶ 85–89 were materially false and misleading  
 2 because (1) they materially overstated the size and growth of Cash App’s user base by knowingly  
 3 including large numbers of duplicate, fraudulent, and illicit accounts, which proliferated due to  
 4 Block’s inadequate AML, KYC, and sanctions compliance controls; and (2) Block failed to  
 5 disclose that internal data—including, but not limited to, information on account verifications and  
 6 the number of distinct SSNs linked to user accounts—indicated the actual number of unique Cash  
 7 App users was substantially lower than publicly reported. These statements were also materially  
 8 false and misleading for the reasons described by Dr. Daniel McCarthy, Ph.D., in section VII  
 9 below.

10      **2. Defendants Also Made False and Misleading Statements about Block’s**  
 11      **Compliance Efforts in 2021.**

12      91.     On April 23, 2021, Little Rock, Arkansas-based television station KATV ran a  
 13 report on an Arkansas woman who was “scammed out of \$4,800 after using Cash App.” A  
 14 Company spokesperson was quoted as stating: “Preventing fraud is critically important to Cash  
 15 App. *We continue to invest in and bolster fraud-fighting resources by both increasing staffing*  
 16 *and adopting new technology. We are constantly improving systems and controls to help*  
 17 *prevent, detect, and report bad activity on the platform.*”

18      92.     Block continued to come under scrutiny for COVID-related fraud on the Cash App  
 19 platform. On August 15, 2021, in response to one NBC News investigation into how  
 20 “international scam artists pulled off an epic theft of COVID benefits,” a Cash App spokesperson  
 21 stated that Cash App “*enhanced our systems to monitor and act upon deposits that we deem to*  
 22 *be risky*, despite coming from largely trusted sources like state unemployment agencies. We also  
 23 partner with law enforcement and government agencies to investigate potential fraud and work  
 24 collaboratively to return those funds when possible.”

25      93.     The highlighted statements in ¶¶ 91–92 were false and misleading because they  
 26 omitted material facts about Cash App’s deficient compliance practices, including: (1) Cash  
 27 App’s compliance infrastructure was chronically under-resourced, fundamentally flawed, and  
 28 reliant on substandard systems and processes for customer due diligence, identity verification,

1 and transaction monitoring that violated AML and sanctions laws and enabled widespread fraud,  
 2 illegal activity, and the creation of duplicate accounts; (2) Cash App’s “frictionless” user  
 3 experience—characterized by lax onboarding protocols—further facilitated misuse by bad actors  
 4 engaged in identity theft, scams, and the exploitation of public assistance programs; and (3)  
 5 Block’s senior leadership knowingly deprioritized compliance in favor of growth, as evidenced  
 6 by a large backlog of unresolved alerts and a persistent failure to shut down accounts involved in  
 7 illicit conduct. These statements also materially misled investors by creating the false impression  
 8 that Cash App’s reported user metrics were accurate and reliable because they were supported by  
 9 sound compliance practices.

10           C.     Defendants Made Materially False and Misleading Statements in 2022.

11           1.     In a February 24, 2022 Letter to Shareholders, Block Replaced the  
 12           “Transacting Active Cash App Customers” Metric with “Transacting  
              Actives.”

13           94.    On February 24, 2022, Defendants sent a letter to shareholders regarding the  
 14 Company’s Q4 2021 results. The letter was signed by Defendants Dorsey and Ahuja. For the first  
 15 time, Defendants discussed the growth and strength of Cash App through the use of the term  
 16 “*transacting actives*” (as opposed to “transacting customer”). Transacting active was defined as  
 17 follows:

18           A *transacting active* is a Cash App account that has at least one financial  
 19 transaction using any product or service within Cash App during the specified  
 20 period. A transacting active for a specific Cash App product has at least one  
              financial transaction using that product during the specified period and is referred  
              to as an *active*.

21           95.    This materially differed from the previous metric Defendants used, “transacting  
 22 active Cash App *customers*.” A single Cash App customer can and often did have multiple  
 23 accounts, meaning the number of customers on the platform is, by definition, smaller than the  
 24 number of accounts. Further, because of the Company’s inadequate compliance processes, there  
 25 were a significant number of fraudulent or illicit accounts which were not connected to a verified  
 26 customer, and which should have properly been denylisted.

27           96.    Defendants were motivated to change the user metric from customers to active  
 28 accounts in order to make it appear that the Company’s growth was continuing. For the next

1 several quarters, the Company misleadingly touted its year-over-year “growth” by comparing this  
 2 new “transacting actives” metric to previous disclosures of the number of “transacting active  
 3 Cash App customers” without providing any explanation of the difference between the two. The  
 4 February 24, 2022 Letter to Shareholders, signed by Defendants Dorsey and Ahuja, stated:

5 *Peer-to-peer payments have allowed us to virally grow Cash App’s network and  
 6 remained the primary driver of customer acquisition in the fourth quarter. In  
 7 December [2021], there were more than 44 million monthly transacting actives  
 8 on Cash App, an increase of 22% year over year. . . . By expanding peer-to-peer  
 capabilities, we see an opportunity to drive network effects across other products  
 within our ecosystem and encourage customers to try new products within Cash  
 App.*

9       97.     The Company’s statement that its December 2021 user metrics reflected 22% year-  
 10 over-year growth from December 2020 was materially false and misleading. This claimed  
 11 increase—from 36 million to 44 million users—was based on a comparison of fundamentally  
 12 different metrics. In 2020, the Company reported the number of transacting active ***customers***, a  
 13 more conservative and narrowly defined measure, as Dorsey himself has acknowledged. By 2021,  
 14 however, Block had shifted to reporting the number of active ***accounts***—a broader metric that  
 15 naturally produces a higher count, since a single customer can hold multiple accounts. Despite  
 16 this material change, the Company calculated year-over-year growth by comparing the 2021  
 17 accounts figure to the more restrictive 2020 customer figure. This apples-to-oranges comparison  
 18 created a misleading impression of robust growth. For several subsequent quarters, the Company  
 19 continued to rely on this flawed methodology to obscure stagnation in its user base.

20       98.     Around this time, financial analysts focused heavily on Block’s claims of  
 21 year-over-year growth on Cash App, and did not register that the metric had changed to inflate the  
 22 growth moving forward. For instance, in an April 2022 report, Wells Fargo analysts stated: “Cash  
 23 App MAUs were 44M at the end of ’21, up by 83% from 24M in 4Q19 and 22% from 36M in  
 24 4Q20.” This report accepted Block’s reports of user growth as evidence of Cash App’s continued  
 25 success, unaware that the statistics the Company recently provided were a misleading  
 26 apples-to-oranges comparison that only provided the illusion of user growth on the platform.

27       99.     The highlighted statements in ¶ 96 were also materially false and misleading  
 28 because (1) they materially overstated the size and growth of Cash App’s user base by knowingly

1 including large numbers of duplicate, fraudulent, and illicit accounts, which proliferated due to  
 2 Block's inadequate AML, KYC, and sanctions compliance controls; and (2) Block failed to  
 3 disclose that internal data—including, but not limited to, information on account verifications and  
 4 the number of distinct SSNs linked to user accounts—indicated the actual number of unique Cash  
 5 App users was substantially lower than publicly reported. These statements were also materially  
 6 false and misleading for the reasons described by Dr. Daniel McCarthy, Ph.D., in section VII  
 7 below.

8           **2. Block's February 2022 Form 10-K Confused Customer and Account**  
**Metrics.**

9           100. On February 24, 2022, Block filed its Form 10-K signed by Defendants Dorsey  
 10 and Ahuja with results through December 2021. Despite changing the Company's user metric in  
 11 the Shareholder Letter on its website, the Company failed to disclose the change in its Form 10-K  
 12 filed with the SEC. Instead, the Company described its "customers" as follows:

13           14       *Our Cash App Customers: As of December 2021, Cash App had more than 44*  
*15 million monthly transacting actives across the United States and Europe which*  
*had at least one financial transaction using any Cash App product or service.* In  
 16 2021, across the iOS App Store and Google Play, Cash App was the number one  
 17 finance app and the number four app overall, based on downloads in the United  
 18 States. *Cash App has a diverse mix of customers.* In the United States, Cash App  
 19 had *monthly transacting actives* in each of the 50 states and nearly every county  
 20 as of December 2021.

21           101. These statements were materially false and misleading because they omitted that  
 22 Block had changed Cash App's reported growth metric from "active customers" to "actives,"  
 23 meaning transacting active *accounts*, for the December 2021 reporting period. In Block's Form  
 24 10-K, the Company used the terms "customer" and "actives" interchangeably—describing "Cash  
 25 App customers" in the section title, citing 44 million "transacting actives" (*i.e.*, accounts),  
 26 referencing a "diverse mix of customers," and then concluding with "monthly transacting  
 27 actives." This inconsistent terminology obscured a critical distinction: under Block's own user  
 28 metric definitions, "customers" and "accounts" were not equivalent. Because individual  
 customers could maintain multiple accounts, the number of accounts significantly exceeded the

1 number of customers. By conflating these two distinct metrics, the Company misled investors  
 2 about the nature and extent of Cash App's user growth.

3       102. The highlighted statements were also materially false and misleading because  
 4 (1) they materially overstated the size and growth of Cash App's user base by knowingly  
 5 including large numbers of duplicate, fraudulent, and illicit accounts, which proliferated due to  
 6 Block's inadequate AML, KYC, and sanctions compliance controls; and (2) Block failed to  
 7 disclose that internal data—including, but not limited to, information on account verifications and  
 8 the number of distinct SSNs linked to user accounts—indicated the actual number of unique Cash  
 9 App users was substantially lower than publicly reported. These statements were also materially  
 10 false and misleading for the reasons described by Dr. Daniel McCarthy, Ph.D., in section VII  
 11 below.

12           3. **Defendants Continued to Mislead the Public about Cash App User**  
 13           **Metrics Throughout 2022.**

14       103. During the Company's February 24, 2022 earnings call held following the 10-K  
 15 filing, Defendant Ahuja again misled investors about the Company's growth rate and size of Cash  
 16 App's user base:

17           *We grew Cash App's network to 44 million monthly transacting actives as of*  
 18 *December for a growth of 22% year over year.* Our active base is highly engaged,  
 19 and we've seen growing adoption of Cash Card, which reached more than 13  
 20 million monthly actives as of December, a 31% attach rate to our monthly active  
 21 base, up from a 22% attach rate two years ago. *As we've grown our overall base*  
*of customers,* we've also seen growing usage for Cash Card customer. In the fourth  
 22 quarter, spend for Cash Card actives increased year over year as actives used Cash  
 23 Card for a diverse range of everyday purchases from fast-food restaurants to  
 24 big-box retailers to gas stations and more.

25       104. She later added:

26           I'd just add, to underscore Jack's point, *Cash App at 44 million monthly active,*  
 27 *growing 22% year over year,* was the No. 1 downloaded finance app in the U.S. in  
 28 2021 and the No. 4 downloaded app overall in the U.S. in 2021 on iOS. So, we are  
 reaching mainstream scale and want to continue to enable broad-based utility, as  
 Jack was saying, around deposits and limits. But as you see through the strength of  
 our cohort economics, with growing ARPU \$47 in the fourth quarter, up 13% year  
 over year, with strong gross profit retention of over 125% year over year for each  
 of the last four years and with strong ROIs at 6x over the last three years.

29       105. During the Company's August 4, 2022 earnings call, Ahuja stated:

30           Let's discuss some of the drivers here using our inflow framework, looking at active

1 and inflows per active. First, *we continued growth from monthly transacting*  
 2 *actives, reaching 47 million as of June, up 18% year-over-year, with weekly and*  
 3 *daily actives growing even faster.* We have been focused on enhancing the reality  
 4 of peer-to-peer by expanding our presence in new demographics. When an active  
 5 has more of their friends and family using Cash App, they have more reasons to  
 6 come back and their retention often improves.

7 106. On November 3, 2022, Defendants sent a letter to shareholders regarding the  
 8 Company's Q3 2022 results. The letter was signed by Defendants Dorsey and Ahuja. In the letter,  
 9 Defendants again discussed the growth and strength of Cash App through the metric of  
 10 "*transacting actives.*" Defendants represented that, as of September 2022, Cash App had "*more*  
 11 *than 49 million monthly transacting actives . . . , up approximately 20% year over year.*"

12 107. The highlighted statements in ¶¶ 103–106 were materially false and misleading  
 13 because as of Q4 2021, Block changed its reported growth metric from "active customers" to  
 14 "actives," meaning transacting active accounts—a materially different metric that Defendants  
 15 themselves recognized as such. By comparing the broader "actives" figure to the more  
 16 conservative "customers" metric, the Company artificially inflated the appearance of user growth.  
 17 The statements were also false and misleading because the year-over-year growth figures were  
 18 based on an apples-to-oranges comparison of an account-based transacting actives figures pre-Q4  
 19 2021 customer-based figures, and because (1) they materially overstated the size and growth of  
 20 Cash App's user base by knowingly including large numbers of duplicate, fraudulent, and illicit  
 21 accounts, which proliferated due to Block's inadequate AML, KYC, and sanctions compliance  
 22 controls; and (2) Block failed to disclose that internal data—including, but not limited to,  
 23 information on account verifications and the number of distinct SSNs linked to user accounts—  
 24 indicated the actual number of unique Cash App users was substantially lower than publicly  
 25 reported. These statements were also materially false and misleading for the reasons described by  
 26 Dr. Daniel McCarthy, Ph.D., in section VII below.

27 4. **Block Updated the Definition of "Transacting Actives" in a May 5,**  
**2022 Shareholder Letter.**

28 108. On May 5, 2022, Defendants sent a letter to shareholders regarding the Company's  
 Q1 2022 results. The letter was signed by Defendants Dorsey and Ahuja. In the letter, Defendants  
 updated the definition of the "transacting active" metric to include the following underlined text:

1 A transacting active is a Cash App account that has at least one financial transaction  
 2 using any product or service within Cash App during the specified period. A  
 3 transacting active for a specific Cash App product has at least one financial  
 4 transaction using that product during the specified period and is referred to as an  
5 certain of these accounts may share an alias identifier with one or more  
6 other transacting active accounts. This could represent, among other things, one  
7 customer with multiple accounts or multiple customers sharing one alias identifier  
8 (for example, families).

9  
 10 109. The updated definition acknowledged that the Company understood “accounts”  
 11 and “customers” to be two different metrics, that the difference was important, and that there  
 12 were more Cash App “accounts” than Cash App “customers.” Defendants were therefore aware  
 13 that their year-over-year growth comparison between metrics quantifying “active customers” and  
 14 “transacting actives” were apples-to-oranges comparisons between materially different metrics.

15  
 16 5. **The Company Continued to Make False and Misleading Statements in**  
**Response to Public Scrutiny Relating to Fraud on Cash App.**

17 110. On August 24, 2022, *Vice* published an article about the proliferation of fraud on  
 18 Cash App entitled, “Hackers Are Breaking into and Emptying Cash App Accounts.” A Cash App  
 19 spokesperson was quoted as saying:

20 Preventing fraud is critically important to Cash App. ***We continue to invest in and***  
***bolster fraud-fighting resources by both increasing staffing and adopting new***  
***technology.*** We are constantly improving systems and controls to help prevent,  
 21 detect, and report bad activity on the platform[.] . . . For those who believe they  
 22 have fallen victim to an identity-theft or account take-over scams, we encourage  
 23 them to reach out to Cash App Support where ***we will review the account in***  
***question.*** If deemed fraudulent, ***we will take the necessary action starting with***  
***account closure and disablement of all applicable products.***

24 111. The highlighted statements in ¶ 110 above were materially false and misleading  
 25 because they omitted material facts about Cash App’s deficient compliance practices, including:  
 26 (1) Cash App’s compliance infrastructure was chronically under-resourced, fundamentally  
 27 flawed, and reliant on substandard systems and processes for customer due diligence, identity  
 28 verification, and transaction monitoring that violated AML and sanctions laws and enabled  
 widespread fraud, illegal activity, and the creation of duplicate accounts; (2) Cash App’s  
 “frictionless” user experience—characterized by lax onboarding protocols—further facilitated  
 misuse by bad actors engaged in identity theft, scams, and the exploitation of public assistance  
 programs; and (3) Block’s senior leadership knowingly deprioritized compliance in favor of

1 growth, as evidenced by a large backlog of unresolved alerts and a persistent failure to shut down  
 2 accounts involved in illicit conduct. These statements also materially misled investors by creating  
 3 the false impression that Cash App's reported user metrics were accurate and reliable because  
 4 they were supported by sound compliance practices.

5       **D.     Defendants Made Materially False and Misleading Statements in 2023.**

6       112.    In its Q4 2022 Shareholder Letter dated February 23, 2023 and signed by  
 7 Defendants Dorsey and Ahuja, Defendants represented that by the end of 2022, Cash App had  
 8 "***51 million monthly transacting actives, an increase of 16% year over year.***" Block's 2022  
 9 Form 10-K, signed by Defendants Dorsey and Ahuja and filed February 23, 2023, emphasized the  
 10 same user metric, stating that "[a]s of December 2022, Cash App had ***more than 51 million***  
 11 ***monthly transacting actives*** across the United States and Europe."

12       113.    The highlighted statements in ¶ 112 above were materially false and misleading  
 13 because (1) they materially overstated the size and growth of Cash App's user base by knowingly  
 14 including large numbers of duplicate, fraudulent, and illicit accounts, which proliferated due to  
 15 Block's inadequate AML, KYC, and sanctions compliance controls; and (2) Block failed to  
 16 disclose that internal data—including, but not limited to, information on account verifications and  
 17 the number of distinct SSNs linked to user accounts—indicated the actual number of unique Cash  
 18 App users was substantially lower than publicly reported. These statements were also materially  
 19 false and misleading for the reasons described by Dr. Daniel McCarthy, Ph.D., in section VII  
 20 below.

21       114.    Block's 2022 Form 10-K also contained the below graph:

22

23

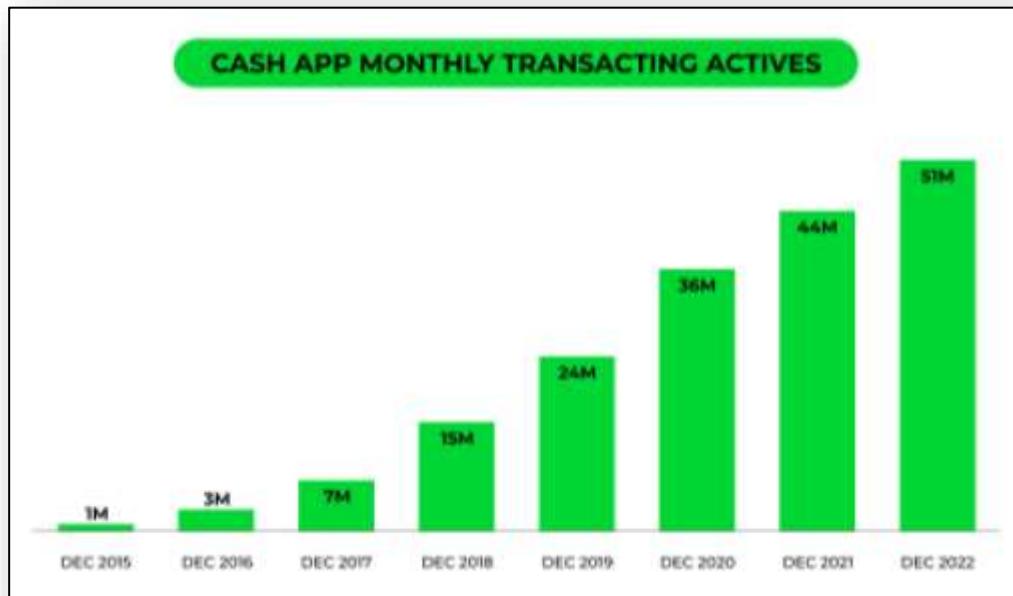
24

25

26

27

28



115. This graph was materially false and misleading because it contained an apples-to-oranges comparison of account-based figures from 2021 and 2022 to customer-based figures from 2015 through 2020, which as explained above created a misleading impression of robust growth. This graph was also materially false and misleading because (1) it materially overstated the size and growth of Cash App's user base by knowingly including large numbers of duplicate, fraudulent, and illicit accounts, which proliferated due to Block's inadequate AML, KYC, and sanctions compliance controls; and (2) Block failed to disclose that internal data—including, but not limited to, information on account verifications and the number of distinct SSNs linked to user accounts—indicated the actual number of unique Cash App users was substantially lower than publicly reported. The graph was also materially false and misleading for the reasons described by Dr. Daniel McCarthy, Ph.D., in section VII below.

116. Financial analysts continued to focus on Block's claims of year-over-year growth on Cash App as a metric of the Company's continued success. For instance, in early March 2023, Phillip Capital noted the "16% YoY surge in monthly active users . . . to 51mn." The Hindenburg Report would soon reveal that this purported number of active "users" was massively inflated.

1           **2. The March 2023 Hindenburg Report Revealed the False and**  
 2           **Misleading Nature of Defendants' Statements Regarding Compliance,**  
 3           **Fraud Prevention, and User Metrics.**

4         117. A week after the Hindenburg Report, on March 30, 2023, Block issued a response  
 5         that continued to deceive the market about its compliance with AML, KYC, and sanctions  
 6         requirements and the associated effect on its user metrics. Specifically, the response claimed that  
 7         its “*approach to compliance is consistent with other financial services platforms*,” and that “*the*  
 8         *company's compliance investments have grown more than twice as fast as overall gross profit,*  
 9         *and compliance investments have also meaningfully increased as a percentage of our overall*  
 10         *operating expenses.*”

11         118. The highlighted statements in ¶ 117 above were materially false and misleading  
 12         because they omitted material facts about Cash App’s deficient compliance practices, including:  
 13         (1) Cash App’s compliance infrastructure was chronically under-resourced, fundamentally  
 14         flawed, and reliant on substandard systems and processes for customer due diligence, identity  
 15         verification, and transaction monitoring that violated AML and sanctions laws and enabled  
 16         widespread fraud, illegal activity, and the creation of duplicate accounts; (2) Cash App’s  
 17         “frictionless” user experience—characterized by lax onboarding protocols—further facilitated  
 18         misuse by bad actors engaged in identity theft, scams, and the exploitation of public assistance  
 19         programs; and (3) Block’s senior leadership knowingly deprioritized compliance in favor of  
 20         growth, as evidenced by a large backlog of unresolved alerts and a persistent failure to shut down  
 21         accounts involved in illicit conduct. These statements also materially misled investors by creating  
 22         the false impression that Cash App’s reported user metrics were accurate and reliable because  
 23         they were supported by sound compliance practices.

24           **3. Before and After the Hindenburg Report, Defendants Repeatedly**  
 25           **Conflated Monthly Active Accounts with Actual Customers.**

26         119. The Company held its Q4 2022 earnings call on February 23, 2023. On the call  
 27         Defendants Dorsey and Ahuja made several materially false and misleading statements that  
 28         conflated the monthly active account figures with actual customers. For example:

Q: But I wanted to ask a little bit about Cash App. Amrita, I believe you said pretty  
 much all of those 3 core drivers would be up in '23. The one that I wanted to ask

1 about was the inflows per MAU. You certainly did cite some, at least in the Square  
 2 business, slowdown in discretionary spend. But I assume there are offsets, things  
 3 like obviously, Cash Card attach, which I'm assuming is going to lead to higher  
 4 direct deposit, which obviously had a really nice step up on the metrics you gave at  
 5 3Q. So I'm curious to hear a little bit just about the drivers there as well as the  
 6 monetization rate. Certainly, you mentioned the pricing changes and that's had a  
 7 sizable impact. But as we look forward, should we be thinking about Borrow as a  
 8 bigger driver or other items around monetization side?

9  
 10 AMRITA AHUJA: Sure. Thanks for the question, Josh. So let's break down our  
 11 inflows framework for Cash App. And we'll talk in a little bit more detail on 1 of  
 12 the 3 measures, inflows per active, to your question. *So starting first with actives,  
 13 51 million monthly transacting actives in December. That grew 16%  
 14 year-over-year with, importantly, weekly and daily actives growing even faster.*

15  
 16 *Over time, we've increasingly leveraged marketing to enhance the inherent  
 17 virality in our peer-to-peer network efforts. And that's enabled us to drive greater  
 18 acquisition and product adoption for these new customers.*

19  
 20 *I think what's even maybe more important than the 51 million is that 2 out of 3  
 21 of those 51 million transacting actives are using Cash App on a weekly basis on  
 22 average.* And I think that's an indication of the growth of our product ecosystem  
 23 and the product adoption within it that's becoming a more and more everyday use  
 24 case.

25  
 26 120. In its May 4, 2023 Q1 2023 earnings call, Block reverted to only disclosing the  
 27 "transacting actives" metric (as opposed to the number of verified accounts or the number of  
 28 unique SSNs associated with Cash App accounts, both of which Block disclosed in its March 30,  
 2023 response to the Hindenburg Report). Ahuja stated:

29  
 30 I would look at unpacking Cash App's performance according to our inflows  
 31 framework, where we have seen strong growth in each of the three variables that  
 32 ultimately ladder up to gross profit, whether it's actives, inflows per active, or  
 33 monetization rate. *So, if we look at Q1 growth, monthly transacting active were  
 34 53 million in March, up 17% year-over-year. This is really driven by both the  
 35 virality of our peer-to-peer network effects, as well as increasing focus on  
 36 leveraging marketing and acquisition tools to drive qualified new customers and  
 37 higher product adoption over time.*

38  
 39 121. Likewise, in Block's May 4, 2023 letter to shareholders regarding the Company's  
 40 Q1 2023 results, signed by Defendants Dorsey and Ahuja, Defendants stated:

41  
 42 Cash App has an extensive, highly engaged network rooted in peer-to-peer  
 43 payments, which allows for *viral growth as current actives bring their friends and  
 44 family into Cash App. Growing monthly transacting actives is a component of the  
 45 inflows framework and one of the ways we drive gross profit: In March, there  
 46 were 53 million monthly transacting actives.*

1           122. In Block's August 3, 2023 Earnings Call, Ahuja again conflated Cash App  
 2 "transacting actives" with Cash App's "customer base," in the context of discussing Cash App's  
 3 customer base as a reason for enthusiasm about Cash App Pay. Ahuja stated that Cash App had a  
 4 ***very attractive customer base ... 54 million monthly transacting actives as of***  
 5 ***June, who are highly engaged on our platform and inflows over \$1,100 during the***  
 6 ***second quarter. And so with Cash App Pay being present as a payment device on***  
 7 ***their platform, they get access to these customers who don't even necessarily have***  
***to have been signed-up by a Cash App Card.*** And that's really the proposition that  
 we're selling into these merchants—these large merchants, who are finding real  
 product fit here with Cash App Pay.

8           123. In the Q3 2023 Earnings Call on November 2, 2023, Ahuja stated that "as of  
 9 September [2023], there were 55 million monthly transacting actives, up 11% year-over-year,  
 10 with growth driven by our peer-to-peer network."

11          124. Ahuja stated on the same call:

12          This is on the back though of strong results in the third quarter with -- if you look  
 13 across our inflows framework, strong growth across each of the three aspects of  
 14 Cash App's inflows, ***whether it's active, which grew 11% year-over-year to 55***  
***million on the back of continued viral growth in our peer-to-peer network***  
***mechanisms, or it's inflows per active, which were \$1,132 in the quarter, and***  
***we're up 8% year-over-year,*** relatively stable with the first half of the year. ***Again,***  
***this one is really a factor of both our customers' spending power, as well as their***  
***adoption of our products and engagement with our platform.***

13          125. The highlighted statements in ¶¶ 119–124 were materially false and misleading  
 14 because (1) they materially overstated the size and growth of Cash App's user base by knowingly  
 15 including large numbers of duplicate, fraudulent, and illicit accounts, which proliferated due to  
 16 Block's inadequate AML, KYC, and sanctions compliance controls; and (2) Block failed to  
 17 disclose that internal data—including, but not limited to, information on account verifications and  
 18 the number of distinct SSNs linked to user accounts—indicated the actual number of unique Cash  
 19 App users was substantially lower than publicly reported. These statements were also materially  
 20 false and misleading for the reasons described by Dr. Daniel McCarthy, Ph.D., in section VII  
 21 below.

22           4. **Following the Hindenburg Report, Defendants Continued to Make**  
**False and Misleading Statements about Block's Compliance Efforts.**

23          126. During the Company's Q1 2023 May 4, 2023 earnings call, Dorsey stated:  
 24  
 25           We also want to make sure that we continue to build trust. And as I talked about

1 before, trust is earned in many ways. It's through transparency, through reliability,  
 2 dependability, and that is all something that we earn. We're not given, and that  
 3 comes over time. ***And a lot of that has to be focused on how our customers  
 ultimately trust us, our partners, including our banking partners and the  
 regulatory—regulators trust us as well. So this is a significant focus for us and  
 always has been.*** It has to be, as you do anything in the financial space and certainly  
 4 always been part of our mindset and our approach and turn it over to Amrita to talk  
 about benchmarking against peers and more broadly investment.

5 127. Ahuja added the following about Block's compliance mechanisms:

6 In order to do that, ***we must maintain a culture of compliance and responsible risk  
 management, including through investment in programs, processes, controls and  
 teams with deep compliance expertise, prioritizing compliance ultimately helps  
 us drive trust to their customers with regulators and external partners, and that  
 enables us to then develop innovative products responsibly. We have significantly  
 grown our investment in compliance over the last few years.***

7 At a company level, we expect to invest approximately \$160 million in compliance  
 8 in 2023, which represents an increase in our investment dollars of more than 5x  
 since 2020, outpacing OpEx growth by approximately 2x during that same period.  
 9 ***Specifically within Cash App, the pace of growth on compliance investment has  
 been even faster than that.*** With regards to how you might benchmark that, other  
 10 companies may calculate compliance investment differently. So it can be hard to  
 11 benchmark across companies. What we include in these figures is investments that  
 12 go towards personnel as well as software and tooling amongst other areas to support  
 13 our program.

14 ***These dedicated compliance resources support our business units and our  
 customers that our business units serve and ultimately provide oversight across  
 the ecosystem.*** Maybe just to very quickly handle, you also asked about banking --  
 15 sort of banking crisis and our partner ecosystem. Look, we benefit from having a  
 16 diverse ecosystem of products and services with diverse business models. As you  
 17 heard now with 14 revenue streams at \$100 million or more in gross profit, up from  
 18 11 a year ago. Across our products and our partners, we are always focused on  
 19 building redundancies wherever we can in addition to assessing potential future  
 20 risks. So we have a diverse set of products, and we build redundancies where we  
 21 can, and we have a transparent approach to our partnership as we always have.

22 128. The highlighted statements in ¶¶ 126–127 above were materially false and  
 23 misleading because they omitted material facts about Cash App's deficient compliance practices,  
 24 including: (1) Cash App's compliance infrastructure was chronically under-resourced,  
 25 fundamentally flawed, and reliant on substandard systems and processes for customer due  
 26 diligence, identity verification, and transaction monitoring that violated AML and sanctions laws  
 27 and enabled widespread fraud, illegal activity, and the creation of duplicate accounts; (2) Cash  
 28 App's "frictionless" user experience—characterized by lax onboarding protocols—further  
 facilitated misuse by bad actors engaged in identity theft, scams, and the exploitation of public

1 assistance programs; and (3) Block's senior leadership knowingly deprioritized compliance in  
 2 favor of growth, as evidenced by a large backlog of unresolved alerts and a persistent failure to  
 3 shut down accounts involved in illicit conduct. These statements also materially misled investors  
 4 by creating the false impression that Cash App's reported user metrics were accurate and reliable  
 5 because they were supported by sound compliance practices.

6       **E. Defendants Made Materially False and Misleading Statements in 2024.**

7       129. In its Q4 2023 Shareholder Letter dated February 22, 2024 and signed by  
 8 Defendants Dorsey and Ahuja, Defendants stated:

9           As of December there were 2 million actives (3% of our monthly transacting  
 10 actives) depositing their paycheck into Cash App each month, relative to 23 million  
 11 Cash App Card monthly actives (41% of our monthly transacting actives) and *our broader base of 56 million monthly transacting actives. In the same way that peer-to-peer (P2P) payments was a gateway to the Cash App Card, we see the Cash App Card as a gateway to our customers adopting Cash App as a primary banking solution.*  
 12

13           *We believe the most direct opportunity for Cash App to drive meaningful top line growth is by converting our existing base of 56 million monthly transacting actives*, who mostly use P2P and Cash App Card, into primary banking actives who deposit their paycheck into Cash App and generate significantly more inflows per active.  
 14

15       130. Block continued to mislead investors about its user metrics on its own website. In  
 16 a December 1, 2024 online post on its website titled "How Cash App Is Fighting Scams," the  
 17 Company stated: "**For our current 57 million monthly active customers**, our first line of defense  
 18 is to make our platform as resilient against scams as possible."

19       131. The statements in ¶¶ 129–130 were materially false and misleading because  
 20 (1) they materially overstated the size and growth of Cash App's user base by knowingly  
 21 including large numbers of duplicate, fraudulent, and illicit accounts, which proliferated due to  
 22 Block's inadequate AML, KYC, and sanctions compliance controls; and (2) Block failed to  
 23 disclose that internal data—including, but not limited to, information on account verifications and  
 24 the number of distinct SSNs linked to user accounts—indicated the actual number of unique Cash  
 25 App users was substantially lower than publicly reported. These statements were also materially  
 26 false and misleading for the reasons described by Dr. Daniel McCarthy, Ph.D., in section VII  
 27 below. The statement in ¶ 130 was also materially false and misleading because the 57 million  
 28

1 figure in the Company's own filings referred to "accounts" and not "customers," which were two  
 2 materially different user metrics under the Company's own definitions.

3 **VI. ADDITIONAL ALLEGATIONS OF SCIENTER**

4 132. Numerous independent facts—both previously discussed and detailed below—  
 5 strongly support the inference that Defendants, particularly Dorsey and Ahuja, acted with  
 6 scienter. As senior executives at Block, Dorsey and Ahuja repeatedly promoted misleading Cash  
 7 App user metrics despite having direct access to internal data and information revealing  
 8 materially lower verified user and unique SSN counts and pervasive fraud and illicit activity on  
 9 the platform including criminals' and others' use of multiple accounts. Their leadership positions  
 10 and access to contemporaneous contradictory information establish that they either knew the  
 11 public statements at issue were materially false or acted with severe recklessness in ignoring the  
 12 substantial risk of misleading investors.

13 133. These and additional facts discussed below also support a strong inference that  
 14 scienter is attributable to Block itself, based on the knowledge and conduct of its senior  
 15 leadership—Dorsey, Ahuja, CLO Sivan Whiteley, and CCO Amelia Childress—and the  
 16 company's centralized organizational structure, which gave key senior executives access to and  
 17 knowledge of the critical information at issue.

18 **A. Individual Scienter of Dorsey and Ahuja**

19 134. Multiple FEs and Block's internal reporting and governance structures support a  
 20 strong inference that Dorsey and Ahuja were aware of Cash App's significant compliance failures  
 21 and the resulting inflation of its reported user metrics during the Class Period. As senior  
 22 executives, they repeatedly received specific findings—via Board-level reports, internal  
 23 compliance meetings, and employee feedback—highlighting persistent deficiencies in Block's  
 24 AML, KYC, and sanctions controls. Despite this knowledge, they continued to publicly promote  
 25 inflated user metrics and endorsed or permitted strategic decisions that prioritized business  
 26 growth over regulatory compliance. Their executive positions, active Board involvement, and  
 27 sales of stock while in possession of adverse non-public information further reinforce the  
 28 inference that they acted with scienter.

1           135. Dorsey's awareness of compliance deficiencies is supported by his documented  
 2 access to detailed, high-level compliance assessments. These reports identified numerous  
 3 structural failures and were regularly prepared to inform Board oversight responsibilities:

4           a.       **FE 4** stated that Board-level compliance materials were presented to  
 5 Dorsey, including the *AML CTF Final Report* and the *Audit Risk Committee Summary Report*,  
 6 which addressed entity-specific and global compliance risks. These reports, prepared mid-year for  
 7 Q2 or Q3 Board meetings, synthesized both qualitative and quantitative data on compliance  
 8 failures—including rising SAR volumes, persistent KYC weaknesses, and insufficient transaction  
 9 monitoring resources. The reports were presented to Dorsey by Childress before being shared  
 10 with the Board. Based on this process, **FE 4** concluded that Dorsey was “100%” aware of the  
 11 risks highlighted in the reports.

12           b.       **FE 2** likewise reported Block’s senior leadership team—including  
 13 Dorsey—commissioned an independent third-party compliance review in 2023 that concluded  
 14 that Block lacked an adequate compliance program.

15           136. Dorsey also issued strategic directives and made personnel decisions that directly  
 16 impaired Block’s compliance capabilities. His actions reflected a pattern of de-emphasizing  
 17 compliance in favor of organizational loyalty and cost reduction:

18           a.       **FE 7** recounted that Dorsey’s personnel decisions for Block’s compliance  
 19 team reflected a preference for internal loyalty over subject-matter expertise. As one example,  
 20 Dorsey promoted a machine learning engineer with no risk or compliance experience to lead the  
 21 risk department.

22           b.       **FE 2** further reported that based on information they learned in a  
 23 conversation with CLO Whiteley, Dorsey intervened in 2022 or early 2023 to block efforts by  
 24 Whiteley to terminate CCO Childress and Regulatory Counsel Crissy Solh, despite serious  
 25 concerns having been raised about their handling of compliance obligations.

26           c.       **FE 3** stated that when they joined Block, they believed Jack Dorsey would  
 27 provide the resources to have a compliance culture. However, **FE 3** learned that Dorsey and  
 28 Block’s leadership had little interest in meaningful compliance improvements. According to **FE**

1       **3**, senior leadership rarely took substantive compliance action unless spurred by a major external  
 2 event. **FE 3** cited Russia’s invasion of Ukraine—an event that drew intense global scrutiny—as  
 3 one of the few incidents that triggered executive attention, specifically due to concerns about  
 4 Vladimir Putin and others potentially using Bitcoin to evade sanctions. **FE 3** noted that “short of a  
 5 war,” it was unclear what would motivate engagement from Block’s senior executives.

6                     d.       **FE 6** recalled Dorsey issuing a directive for Cash App to prioritize ease of  
 7 use and convenience “at the cost of everything else.” Reluctance to implement stricter KYC and  
 8 fraud prevention measures was driven by concerns that such requirements would hinder user  
 9 onboarding and reduce transaction volume. “The whole vibe,” **FE 6** said, “was to make it as easy  
 10 as possible—compliance be damned.”

11                   e.       **FE 9** described an internal spreadsheet referred to as “Jack’s Friends,”  
 12 which listed approximately 15 high-profile individuals—including Dorsey and Jay-Z—whose  
 13 accounts were exempt from standard transaction monitoring and limits, particularly for Bitcoin  
 14 activity. These individuals were not subject to the same compliance controls as ordinary users. At  
 15 one point, a report was generated showing that the platform’s top Bitcoin transactors were all  
 16 members of this VIP list. The spreadsheet’s name was changed multiple times to make it appear  
 17 less suspicious. **FE 9** was assigned to conduct a “compliance check” on these accounts but  
 18 clarified that no formal due diligence had been performed and the review was largely superficial.  
 19 Similarly, **FE 9** was also directed to suppress or disable monitoring alerts on certain high-risk  
 20 accounts, including one belonging to an athlete whose transactions repeatedly triggered red flags.

21                  137. Dorsey was also regularly confronted with employee complaints about compliance  
 22 failures through company-wide forums, but rather than implementing corrective action, he and  
 23 senior leadership took steps to suppress dissent and reinforce existing leadership:

24                   a.       According to **FE 2** and **FE 1**, concerns about Cash App’s compliance  
 25 issues were raised during all-hands meetings and “Ask Me Anything” sessions, some of which  
 26 **FE 2** recalls Dorsey attending. These forums featured anonymous employee questions, which  
 27 repeatedly highlighted deficiencies in compliance practices and criticized Childress’s leadership.  
 28       **FE 2** recalled questions such as, “When will there be additional support for compliance? We

1 don't have a compliance program." **FE 2** recalled that Childress and Solh evaded answering,  
 2 maintaining "there was no issue." **FE 1** recounted that during one meeting, Block's leadership  
 3 responded to these questions by staging a coordinated show of support for Childress, during  
 4 which her direct reports were prompted to publicly endorse her.<sup>18</sup>

5           b.       **FE 2** recalled a particularly alarming all-hands meeting on or around Q4  
 6 2021 that marked a turning point for many compliance staff. According to **FE 2**, "every single  
 7 question was about compliance and concerns about compliance," including "the absence of a  
 8 functioning compliance program, the lack of internal controls, and failures in leadership  
 9 accountability." When Childress and Solh responded with prewritten, dismissive answers  
 10 coordinated by Block's communications and policy teams, it triggered a mass resignation of  
 11 compliance professionals. Despite this, Block did not take meaningful steps to improve its  
 12 compliance program until government regulators began investigating Cash App's practices.

13           c.       **FE 2**, who had multiple direct interactions with Dorsey, advised Dorsey  
 14 upon **FE 2**'s departure in May 2024 to engage with the legal and compliance teams. Dorsey  
 15 assured **FE 2** that he would.

16           138. Dorsey's role as Chairperson of Block's Board further supports a strong inference  
 17 of scienter. During the Class Period, Dorsey held a central position in the company's governance  
 18 structure, serving as both CEO (a title renamed "Block Head" in 2022) and Chairman of Block's  
 19 Board of Directors. In these roles, he presided over all Board meetings and exercised significant  
 20 influence over committee appointments and corporate strategy. This dual role placed him at the  
 21 nexus of internal information flow across the Company, with direct access to reports concerning  
 22 compliance, risk, user metrics, and regulatory issues—including the annual Enterprise Risk

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23           <sup>18</sup> In its 2020 Proxy Statement, Block described company-wide "Town Square" meetings similar  
 24 to those described by **FE 2**. The Town Square was a "monthly global all-hands meeting" that was  
 25 "simultaneously broadcast to all of the Company's offices and made available for viewing  
 26 afterward." The meeting "typically include[d] reports on business developments and provide[d]  
 27 an opportunity for employees to ask questions of senior management, including . . . Dorsey, either  
 28 in writing, via video conferencing or live in person." Dorsey would also "provide[] a synopsis" of  
 the most recent Board meeting and "take[] questions from employees about the meeting." Block  
 also held "question-and-answer sessions" with the Board and "senior management," and senior  
 management "periodically host[ed] 'Ask Me Anything' sessions on internal channels to discuss  
 issues." Additionally, Block polled its employees "multiple times a year to collect feedback on  
 management, strategy, culture, compensation and a variety of other areas." Block shared "[k]ey  
 takeaways from these surveys" with the Board and senior management.

1 Report. His sustained leadership in these overlapping executive and Board capacities strongly  
 2 supports the inference that he was aware of the operational deficiencies for which the Company  
 3 revealed it was being investigated by the SEC and DOJ in August 2023 and later cited by multiple  
 4 regulatory agencies and the consequential inflation of the user metrics Block reported to  
 5 investors.

6       139. Block's Proxy Statements during the Class Period further support this inference,  
 7 confirming that Dorsey, as Chairperson of Block's Board, was involved in risk oversight  
 8 processes through which he likely became aware of the Company's deficiencies. According to  
 9 Block's 2023 Proxy Statement, which contains similar or identical language to other Proxy  
 10 Statements during the Class Period, one of the Board's "primary responsibilities" was "oversight  
 11 of risk management." Dorsey and the Board were responsible for overseeing "[s]trategic,  
 12 financial and execution risks and exposures associated with [Block's] business strategy, policy  
 13 matters . . . significant litigation and regulatory exposures and other current matters that may  
 14 present material risk." The Board executed this oversight responsibility by delegating specific  
 15 issues to committees and relying on "management reporting processes" designed to ensure  
 16 visibility into "the identification, assessment[,] management," and "mitigation" of risks. For  
 17 instance, the Audit and Risk Committee oversaw "[r]isks and exposures associated with" Block's  
 18 "programs and policies relating to legal and regulatory compliance." The Chair of the Audit and  
 19 Risk Committee—and in some years, the Lead Independent Director—regularly met with senior  
 20 executives, including Ahuja, "on a regular cadence to identify and discuss risks and exposures,  
 21 and escalate[d] potential issues" to the Audit and Rick Committee or the full Board, including  
 22 Dorsey, "as appropriate."

23       140. Ahuja's scienter is supported by the fact that she was repeatedly and directly  
 24 informed of the severe compliance failures affecting Cash App, both through formal reporting  
 25 channels and internal forums. According to **FE 4**, Ahuja had direct visibility into critical  
 26 compliance documentation, including the *AML CTF Final Reports* and the *ARC Summary*  
 27 *Reports*. **FE 4** stated that Ahuja was "100%" aware of the compliance risks detailed in these  
 28 reports.

1       141. Ahuja’s integral involvement with Board-related functions also supports a strong  
 2 inference of scienter. Although Ahuja was not a Board member, her roles as CFO and COO  
 3 required regular engagement with the Board and its committees—including the Audit and Risk  
 4 Committee, which oversees risks related to financial reporting, internal controls, compliance, and  
 5 security—in connection with financial reporting, investor relations, and executive compensation.  
 6 According to Block’s Proxy Statements, beginning in 2022, Ahuja met “on a regular cadence”  
 7 with the Audit and Risk Committee Chair to “identify and discuss risks and exposures.” She  
 8 attended portions of every Board and Audit and Risk Committee meeting during the Class Period.

9       142. The fact that Dorsey and Ahuja each spoke about Cash App’s compliance  
 10 protocols, practices, and procedures and about user metrics for Cash App during the Class Period,  
 11 as described in section V, *supra*, further supports an inference of scienter.

12       143. Defendants’ shift from disclosing customer-based user metrics to inflated  
 13 account-based “transacting actives,” as described in section V, *supra*, likewise supports a strong  
 14 inference of scienter as to both Dorsey and Ahuja. As senior executives, both Dorsey and Ahuja  
 15 were directly involved in promoting Cash App’s user growth and had access to internal data  
 16 reflecting the actual number of verified users and unique Social Security Numbers linked to Cash  
 17 App accounts. Dorsey also acknowledged in an August 2020 earnings call that the monthly active  
 18 customers metric differed significantly from the number of accounts, and that customers was the  
 19 more conservative of the user metrics to report: “So, we do believe Cash App has reached a  
 20 mainstream scale, and that’s with over 30 million monthly active customers in June. ***And these***  
 21 ***are monthly active customers, not overall accounts.***”

22       144. Despite knowing that these figures were materially lower than the publicly  
 23 reported “transacting actives,” Dorsey and Ahuja repeatedly emphasized the inflated metric while  
 24 withholding the more accurate internal data. This misrepresented both the true size of Cash App’s  
 25 user base and the pace of its growth, which was further exaggerated by comparing account-based  
 26 metrics to earlier customer-based figures—thereby masking the impact of the methodology  
 27 change. Their persistent use of this misleading metric—despite knowing its inflationary effect and  
 28 inconsistency with prior reporting—demonstrates an intent to mislead investors about the scale

1 and trajectory of Cash App's user growth. As detailed above, they further obscured the truth by  
 2 adopting the contorted term "transacting actives," a shift so contrived that even during analyst  
 3 calls, they at times reverted to calling them "customers." This inconsistency suggests the term  
 4 was deliberately introduced to mislead investors, who were focused on meaningful user metrics  
 5 rather than vague counts of active accounts. These facts further support a strong inference that  
 6 Dorsey and Ahuja intended to misrepresent the scale and trajectory of Cash App's user growth.

7       145. Dorsey's and Ahuja's trading activity during the Class Period further supports an  
 8 inference of scienter. Together, they sold over \$650 million in Block Class A Common Stock  
 9 while in possession of material, adverse non-public information about the Company's widespread  
 10 compliance failures and inflated Cash App user metrics. Between November 2020 and May 2021,  
 11 Dorsey sold 2,612,148 shares, generating approximately \$599 million in proceeds. By May 17,  
 12 2021, he had ***fully liquidated and cashed out*** his holdings of Block Class A Common Stock.<sup>19</sup>  
 13 Ahuja likewise sold 324,266 shares of Block Class A Common Stock between November 9, 2020  
 14 and April 2, 2025, netting proceeds of approximately \$51 million.

15       B. **Corporate Scienter**

16       146. Reported actions by CLO Whiteley, CCO Childress, and other senior personnel  
 17 further reinforce a strong inference of corporate scienter when considered alongside the evidence  
 18 concerning Dorsey and Ahuja. FEs have provided accounts supporting an inference that Whiteley  
 19 and Childress were also aware of Cash App's significant compliance failures and the  
 20 consequential inflation of the user metrics Block disclosed to investors during the Class Period.

21       147. Whiteley was repeatedly made aware of Cash App's compliance issues, according  
 22 to multiple FEs. Whiteley not only had visibility into Cash App's compliance problems, but also  
 23 actively participated in efforts to downplay or deflect credible warnings:

24           a.       **FE 1** stated that Whiteley attended a Cash App Compliance all-hands  
 25 meeting where significant concerns were raised about Block's compliance leadership, particularly  
 26 regarding the performance and oversight of Childress.

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27  
 28       <sup>19</sup> Dorsey converted 1,000,000 shares of Block Class B Common Stock to Block Class A Common Stock  
 on May 27, 2022. He has not subsequently reported any sales of Block stock.

1                   b.         **FE 2** described a conversation in which Whiteley admitted to seeking to  
 2 terminate Regulatory Counsel Crissy Solh and CCO Amelia Childress given serious concerns  
 3 having been raised about their handling of compliance obligations. However, as described above,  
 4 Whiteley claimed she was overruled by Dorsey.

5                   c.         Following the release of the Hindenburg Report, **FE 6** raised concerns  
 6 directly with Whiteley about an internal memo that downplayed both the Report's implications  
 7 and the proliferation of sextortion cases on Cash App. **FE 6** was reprimanded shortly thereafter.  
 8 Another FE, **FE 1**, noted that Block fostered an environment in which experienced compliance  
 9 personnel were routinely ignored, undermined, or pushed out.

10                  148.    Whiteley's reported concerns about Childress are underscored by additional FE  
 11 reporting indicating that Childress herself was repeatedly made aware of serious compliance  
 12 failures but failed to take effective action:

13                  a.         **FE 7**, Block's Head of Bitcoin Compliance, stated that they regularly  
 14 escalated compliance concerns through weekly documented one-on-one meetings with CCO  
 15 Amelia Childress as well as submissions to the Board's Risk Committee and inclusion in strategic  
 16 planning materials. Despite these efforts, **FE 7** reported that their submissions were frequently  
 17 rejected or diluted, impeding effective compliance oversight.

18                  b.         **FE 1** stated that, around October 2022, the sanctions team emailed  
 19 Childress a log documenting hundreds of potential violations—possibly around 800—that had not  
 20 been properly disclosed to OFAC, intending to submit a voluntary self-disclosure to regulators.  
 21 However, the warning “fell on” Childress’s “deaf ears,” and no action was taken in response.

22                  149.    According to Block's 2022 and 2023 Proxy Statements, Whiteley also met “on a  
 23 regular cadence” with the Audit and Risk Committee Chair, as well as Ahuja and other executive  
 24 officers, “to identify and discuss risk and exposures.” The Audit and Risk Committee Chair then  
 25 “escalate[d] potential issues” to the Committee or the full Board, “as appropriate.”

26                  150.    Beyond the conduct of individual executives, additional allegations reflect a  
 27 broader pattern of awareness and inaction within Block's senior leadership, further reinforcing an  
 28 inference of corporate scienter. Multiple FEs reported that Block's senior leadership was

1 repeatedly made aware of the systemic compliance failures through internal reports, employee  
 2 complaints, and third-party reviews. As stated above, **FE 7** reported raising these issues through  
 3 inputs to Block's Audit and Risk Committee—though those were often rejected or sanitized—and  
 4 in strategic planning documents. Similarly, **FE 2** stated that Cash App's pervasive and  
 5 longstanding compliance failures were consistently documented in internal reports to Cash App  
 6 CEO Brian Grassadonia, Childress, and Regulatory Counsel Crissy Solh.

7       151. In addition, during each year of the Class Period, Block conducted an annual  
 8 Enterprise Risk Assessment (“ERA”), which was shared with and discussed by the Board and  
 9 overseen by the Audit and Risk Committee. As disclosed in each of Block’s Proxy Statements  
 10 filed with the SEC during the Class Period, the ERA formed a key part of the Company’s overall  
 11 risk management process. The Board, with support from the Audit and Risk Committee, routinely  
 12 evaluated the ERA framework—including how risks were identified, assessed, monitored, and  
 13 reported—and worked with management and outside advisors to define and review key risk areas.  
 14 These areas included strategic, operational, financial, compliance, and personnel risks. Block’s  
 15 ERAs further demonstrate that senior leadership had structured, recurring access to  
 16 documentation whose purpose was, *inter alia*, to identify compliance risks and related issues.

17 **VII. EXPERT ANALYSIS CONFIRMS BLOCK’S USER METRIC STATEMENTS**  
**WERE MATERIALLY FALSE AND MISLEADING.**

18       152. Lead Plaintiff retained an expert in user metrics and corporate valuation to  
 19 evaluate the materiality of Block’s statements about user metrics during the Class Period. Dr.  
 20 Daniel M. McCarthy, Ph.D., is an Associate Professor of Marketing at the University of  
 21 Maryland’s Robert H. Smith School of Business, where he holds tenure. He earned a Ph.D. in  
 22 Statistics from The Wharton School of the University of Pennsylvania in 2017, and undergraduate  
 23 degrees from the Wharton School and the School of Engineering and Applied Sciences at the  
 24 University of Pennsylvania in Finance, Statistics, and Systems Science Engineering, *summa cum*  
 25 *laude*. Dr. McCarthy has pioneered customer-based corporate valuation, a “bottom-up” approach  
 26 to valuing firms by analyzing the value of their customer base, and his research has been  
 27

28

1 published in top-tier academic journals including the Journal of Marketing Research, Marketing  
 2 Science, Management Science, and the Journal of Marketing.

3       153. Dr. McCarthy's expertise in customer metrics and corporate disclosure practices is  
 4 particularly relevant to the facts alleged herein. Dr. McCarthy has authored multiple papers on  
 5 customer-based corporate valuation for public companies, using publicly disclosed customer  
 6 metric data to uncover the health and financial valuation of companies through their customer  
 7 data. He also co-authored research with Aswath Damodaran and Max Cohen in the MIT Sloan  
 8 Management Review article "*IPO Disclosures are Ripe for Reform*," which examines IPO  
 9 disclosures and the various ways companies manipulate these disclosures for their benefit. His  
 10 Harvard Business Review article "*How to Value a Company by Analyzing Its Customers*"  
 11 demonstrates his deep understanding of why customer metrics are material to investor decision-  
 12 making and how companies should properly disclose such information. Dr. McCarthy has been  
 13 teaching an award-winning course on customer lifetime value for the past six years that focuses  
 14 specifically on using customer data to understand business performance.

15       154. Dr. McCarthy also has practical experience identifying disclosure errors that  
 16 companies have subsequently corrected. His detailed analysis of disclosures by Warby Parker and  
 17 DoorDash exposed material errors in their filings, leading both companies to issue restatements  
 18 correcting the issues he identified. He co-founded Theta, a predictive customer value analytics  
 19 company, in 2018 to commercialize his customer-based corporate valuation methodology, and he  
 20 often works with the sort of user metrics data that Block has disclosed to help investors  
 21 understand the financial valuation of prospective investments. This combination of academic  
 22 research and practical experience qualifies him to assess the adequacy and accuracy of Block's  
 23 customer metric disclosures.

24       155. Dr. McCarthy's independent opinion is that user growth metrics are highly  
 25 material to Cash App's network effect–driven business model, just as they are for social media  
 26 platforms like Facebook, Twitter, and Snapchat, because its value depends on the size and  
 27 engagement of its user base. Because Cash App users can only transact with others on the  
 28 platform, accurate disclosure of these metrics is critical for informed investor decision-making.

1       156. According to Dr. McCarthy, the widespread materiality of customer metrics is  
 2 demonstrated by the fact that dozens if not hundreds of public companies voluntarily disclose  
 3 detailed customer or user metrics in their SEC filings and earnings communications. Companies  
 4 across technology, media, telecommunications, and financial services regularly report metrics  
 5 such as monthly active users, daily active users, total customers, or subscriber counts. This  
 6 widespread disclosure practice exists precisely because these metrics are material to investor  
 7 decision-making—companies choose to provide this information even when not explicitly  
 8 required by SEC regulations because investors consistently demand and rely on such data when  
 9 evaluating companies with network effects or customer-centric business models. Block's own  
 10 decision to disclose customer metrics, and the many comments that Block's CFO has made about  
 11 them on investor conference calls, suggests management's recognition of their materiality to  
 12 investors.

13       157. For network effect-driven businesses such as the ones mentioned above and  
 14 Block's Cash App business, the total number of active users is a critical indicator of future growth  
 15 potential, even if this disclosure does not change what total revenue or total gross profit are in the  
 16 current period. While a company might achieve the same revenue from either more customers at a  
 17 lower revenue per customer or fewer customers at a higher revenue per customer, these scenarios  
 18 have vastly different implications for future growth potential. A larger customer base creates  
 19 more opportunities for future transactions, word-of-mouth referrals, and network expansion. A  
 20 larger base creates more utility for prospective customers, because those prospective customers  
 21 will benefit from having a larger pool of people to derive value from. Each additional user  
 22 increases the utility of the platform for all existing users at businesses with high network effects,  
 23 creating positive feedback loops that drive organic growth. In contrast, higher revenue per user  
 24 from a smaller base may indicate limited growth potential, because of more limited network  
 25 effects due to the smaller number of users engaging with the business. It is for this reason that  
 26 there are many documented cases of businesses with high network effects subsidizing user growth  
 27 without any profit to show for it over the near-term (e.g., Uber's significant subsidization of the  
 28 rider side of its business early on in its corporate lifecycle). For Cash App, knowing the apples-to-

1 apples evolution of active customers is essential for evaluating the platform’s capacity for viral  
 2 growth, cross-selling opportunities, and long-term competitive positioning in the digital payments  
 3 market.

4       158. This materiality is demonstrated by market reactions to user metric changes across  
 5 similar platforms. When Facebook reported its first-ever decline in daily active users in Q4 2021,  
 6 its stock price fell more than 26% in a single day, erasing over \$200 billion in market value.  
 7 Headlines (such as the Washington Post’s “*Facebook loses users for the first time in its history*”)  
 8 specifically emphasized the user decline as a catalyst for the drop. There are numerous other  
 9 documented instances of similar stock price reactions because of disappointing user metric  
 10 disclosures at prominent network effect–driven businesses such as Snap, Twitter, and Netflix.

11       159. The importance of user metrics is further emphasized by the fact that Cash App,  
 12 like other payment platforms, faces intense competition from established players like Venmo,  
 13 Zelle, and PayPal. In this environment, demonstrating continued user growth is critical to  
 14 maintaining investor confidence and market position.

15       160. Further, Dr. McCarthy’s independent opinion is that Block’s switch from reporting  
 16 “active customers” before Q4 2021 to the account-based “actives” metric thereafter while  
 17 continuing to compare the two different metrics in purported year-over-year growth comparisons  
 18 was materially misleading. Indeed, he has never encountered a situation where a company has  
 19 chosen to redefine a metric in a material way and then continued year-over-year growth  
 20 comparisons against the old metric.

21       161. According to Dr. McCarthy, Block’s filings were misleading because they  
 22 frequently used identical, or substantially similar, terminology—“transacting actives” and  
 23 “monthly actives”—for both customer-based and account-based metrics, creating ambiguity  
 24 about what was being measured. For example, in the Company’s Q2 2020 shareholder letter,<sup>20</sup>  
 25 there were multiple mentions of “transacting actives” and “monthly actives”, which at the time  
 26 referred to *customers*:

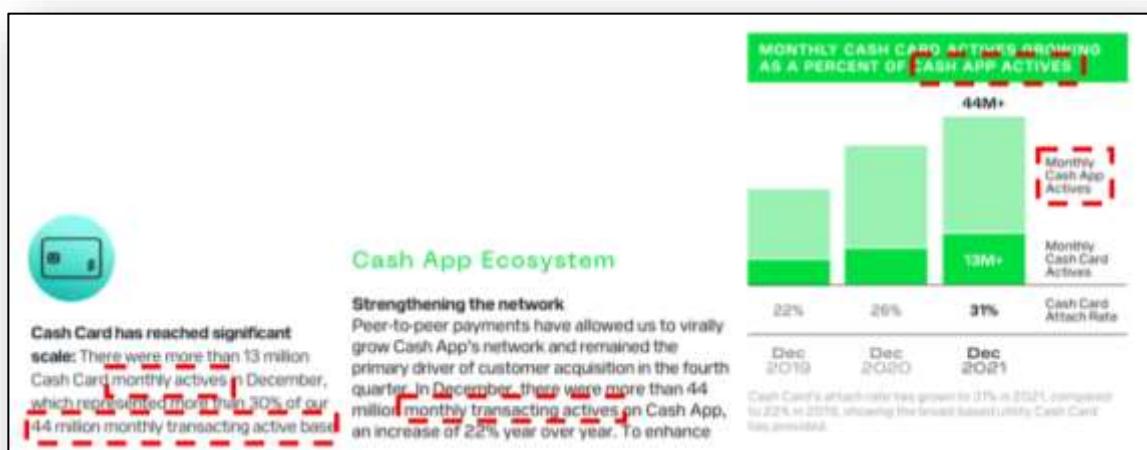
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27  
 28       20 The annotations in the below image and the others in section VII were added by Dr. McCarthy.

**Engaged network of customers**  
 We continued to rapidly scale our network of Cash App customers. In June, Cash App reached over 30 million monthly transacting actives. We believe our ecosystem of products is an important differentiator for Cash App. In the second quarter, we saw an increase in the number of products customers adopted within their first month after activation, including Cash Card, direct deposit, Boost, and bitcoin investing. Cash App customers who used multiple products have had a higher lifetime value. In the second quarter, Cash App customers who use two or more products generated 2x to 3x as much revenue as compared to customers who only use peer-to-peer payments. We remain focused on providing daily utility for our customers. In the second quarter, active Cash App customers transacted more than 15x per month on average, an increase of nearly 50% from a year ago.<sup>1</sup> While transactions per customer have steadily increased over time, we recognize that engagement during the second quarter also benefited from government funds related to the stimulus and unemployment benefits.



162. However, in its Q4 2021 shareholder letter, when the user metric changed, Block used the same “transacting actives” and “monthly actives” labels in text and figures that it had used in earlier SEC filings, even though the underlying definition had shifted to count accounts rather than customers:



163. According to Dr. McCarthy, changing a key performance indicator (“KPI”) to be based on person-level rather than account-level user metrics without changing the name of the KPI itself created a substantial risk that investors comparing metrics across periods would unknowingly compare fundamentally different measurements as if they were the same.

164. This risk of misleading investors was compounded by Block’s touting of year-over-year growth figures comparing account-based metrics to customer-based metrics.

1 According to Dr. McCarthy, such figures are substantially likely to mislead investors when made  
2 by network effect–driven businesses that permit individual customers to maintain multiple  
3 accounts.

4 165. For example, as discussed above in ¶ 96, in Q4 2021 Block claimed 22%  
5 year-over-year growth, comparing 44 million “monthly transacting actives” (accounts) in  
6 December 2021 to 36 million in December 2020, without any caveats or qualifying statements.  
7 However, the 2020 figure was based on customers, not accounts, as clearly documented in  
8 Block’s own 2020 10-K filing. According to Dr. McCarthy, this comparison is fundamentally  
9 misleading because it suggests growth in Cash App’s user base when, in fact, Block was  
10 comparing a larger base (accounts) to a smaller base (customers) from the prior year, without any  
11 acknowledgment of the incomparability of these figures.

12 166. Block used the same misleading year-over-year growth comparisons for the  
13 subsequent three quarters (*see supra* ¶¶ 103–106), in each instance comparing the current number  
14 of active accounts to the number of customers in the prior year.

15 167. Additionally, according to Dr. McCarthy, the graph from Block’s 2022 10-K was  
16 likely to mislead a reasonable investor by presenting a continuous trend line that blends historical  
17 customer-based data with more recent account-based data without clearly demarcating when the  
18 definitional switch occurred. It is Dr. McCarthy’s independent opinion that no reasonable investor  
19 reviewing this graph could readily discern from its face that it reflected an apples-to-oranges  
20 comparison:

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**Our Cash App Customers**

As of December 2022, Cash App had more than 51 million monthly transacting actives across the United States and Europe. In 2022, across the iOS App Store and Google Play, Cash App was the number one finance app and the number ten app overall, based on downloads in the United States. Cash App has a diverse mix of customers, and in the United States, Cash App had monthly transacting actives in each of the 50 states and nearly every county as of December 2022.

In 2022, Cash App transacting actives brought more than \$203 billion in inflows into Cash App. Customers can fund their Cash App accounts with inflows in a variety of ways: peer-to-peer transfers, transactions on bitcoin or stocks, cash added from a debit card or bank account into a Cash App balance, and through direct deposits including recurring paychecks or one-time deposits. In 2022, each Cash App monthly transacting active brought in an average of \$358 of inflows in a given month during the year. A transacting active is a Cash App account that has at least one financial transaction using any product or service within Cash App during the specified period. Certain of these accounts may share an alias identifier with one or more other transacting active accounts. This could represent, among other things, one customer with multiple accounts or multiple customers sharing one alias identifier (for example, families).

CASH APP MONTHLY TRANSACTION ACTIVES



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### VIII. DEFENDANTS' MISREPRESENTATIONS AND OMISSIONS CAUSED INVESTORS' LOSSES.

168. During the Class Period, Defendants' material misstatements and omissions detailed in section V and further described in section VII above caused the price of Block Class A common stock to be artificially inflated, whether by introducing new inflation into the stock or by maintaining preexisting inflation, with the stock price reaching as high as \$289.23 on August 5, 2021. As a result of their purchases of Block common stock during the Class Period, Lead Plaintiff and other Class Members suffered economic loss under the federal securities laws when Defendants' prior misrepresentations, omissions, and fraudulent conduct were disclosed to the market, causing the share price to decline significantly as the artificial inflation in the stock price dissipated.

1       169. The previously misstated or concealed facts emerged through a series of  
 2 disclosures (*i.e.*, “corrective disclosures”) in March 2023, August 2023, February 2024, May  
 3 2024, and May 2025. Defendants’ misstatements and omissions were the proximate cause of  
 4 those stock declines and the losses suffered by Lead Plaintiff and other Class Members.

5       170. The declines in the price of Block Class A common stock following the corrective  
 6 disclosures resulted directly from Defendants’ fraudulent misrepresentations being revealed to the  
 7 market. The timing and magnitude of the price declines in Block Class A common stock  
 8 compared to contemporaneous changes in equity market and peer company indices, as well as a  
 9 review of the Company’s disclosures and subsequent commentary by market professionals,  
 10 negate any inference that investors’ losses resulted from changed market conditions,  
 11 macroeconomic or industry factors, or Company-specific facts unrelated to the fraud detailed in  
 12 this Complaint.

13       A. **March 23, 2023: The Hindenburg Report Partially Reveals Defendants’**  
 14 **Fraud.**

15       171. On March 23, 2023, Hindenburg Research published a report titled “*Block: How*  
*Inflated User Metrics and ‘Frictionless’ Fraud Facilitation Enabled Insiders to Cash Out Over*  
 16 *\$1 Billion*” (defined above as the “Hindenburg Report”).

17       172. The Hindenburg Report revealed that Block (1) inflated the number of active Cash  
 18 App users by including fake and duplicate accounts, (2) cultivated a Cash App user base of  
 19 fraudsters and individuals engaged in other illegal activity, including drug and sex trafficking,  
 20 (3) evaded interchange-fee regulations and imposed higher costs on merchants and small  
 21 businesses who accept Cash App, thereby exposing the Company to increased regulatory  
 22 scrutiny, and (4) failed to disclose the risky nature of Block’s acquisition of Afterpay, an  
 23 Australian “buy now, pay later” short-term loan company.

24       173. On this news, the price of Block Class A common stock fell from \$72.65 per share  
 25 at market close on March 22, 2023, to \$61.88 per share at market close on March 23, 2023—a  
 26 decline of nearly 15% on unusually heavy trading volume of over 140 million shares traded—and  
 27 continued to fall the next trading day. However, because Defendants failed to disclose the full  
 28

1 truth and continued to make material misrepresentations, the price of Block Class A common  
 2 stock remained artificially inflated.

3       **B.     August 3, 2023: Block Discloses Regulatory Scrutiny Related to the**  
 4       **Hindenburg Report.**

5       174. On August 3, 2023, Block filed with the SEC a quarterly report on Form 10-Q for  
 6 its second fiscal quarter ended June 30, 2023, which was signed by defendants Dorsey and Ahuja  
 7 who also certified that the report was materially complete, accurate, and free from fraud.

8       175. The August 3, 2023 Form 10-Q announced that Block had “received inquiries  
 9 from the Securities and Exchange Commission and Department of Justice shortly after the  
 10 publication of [the Hindenburg Report] in March 2023.” The Company further stated that it  
 11 believed “the inquiries primarily relate to the allegations raised in the” Hindenburg Report.

12       176. On this news, the price of Block Class A common stock fell from \$73.55 per share  
 13 at market close on August 3, 2023, to \$63.52 per share at market close on August 4, 2023, a  
 14 decline of nearly 14% on unusually heavy trading volume of over 33 million shares traded.  
 15 However, because Defendants failed to disclose the full truth and continued to make material  
 16 misrepresentations, the price of Block Class A common stock remained artificially inflated.

17       C.     **February 16, 2024: NBC News Reports Whistleblower Allegations Relating to**  
 18       **the Absence of Internal Controls at Cash App.**

19       177. On February 16, 2024, NBC News published an article titled “*Federal regulators*  
 20 *are probing whether Cash App leaves door open to money launderers, terrorists.*” The article  
 21 provided information from a complaint relating to Cash App that two whistleblowers filed with  
 22 FinCEN.

23       178. According to the whistleblowers’ complaint, which NBC News reviewed, Cash  
 24 App “had no effective procedure to establish the identity of its customers.” As a result, Cash App  
 25 facilitated transactions with entities under sanction by the Treasury Department’s Office of  
 26 Foreign Assets Control, operations known to sell personal information and credit card data for  
 illegal purposes, and offshore gambling sites barred to U.S. citizens.

27       179. The whistleblowers also described Cash App as “a shadow financial system  
 28 beyond the reach of regulators,” where due diligence on users was negligible and often did not

1 adhere to sound banking practices and rules. Their complaint also alleged that Block structured  
 2 Cash App to “misdirect[] the attention of regulators,” including by using small partner banks that  
 3 the much larger Block could pressure into forgoing traditional customer due diligence to ease the  
 4 process of opening accounts and to generate revenues.

5       180. On this news, the price of Block Class A common stock fell from \$69.48 per share  
 6 at market close on February 15, 2024, to \$65.64 per share at market close on February 16, 2024—  
 7 a decline of over 5% on unusually heavy trading volume of over 12 million shares traded.  
 8 However, because Defendants failed to disclose the full truth and continued to make material  
 9 misrepresentations, the price of Block Class A common stock remained artificially inflated.

10      D. **May 1, 2024: NBC News Reports on Another Former Employee’s Revelations**  
 11      **About Cash App’s Willfully Insufficient Compliance.**

12       181. On May 1, 2024, NBC News published an article titled “*Federal prosecutors are*  
*examining financial transactions at Block, owner of Cash App and Square.*” This article provided  
 13 further detail about the federal investigation into Block, including that an additional former  
 14 employee had come forward with information about the Company’s compliance shortcomings.  
 15 The employee told NBC, “From the ground up, everything in the compliance section was  
 16 flawed. . . It is led by people who should not be in charge of a regulated compliance program.”  
 17 The article also reported that the former employee had met with prosecutors from the Southern  
 18 District of New York and provided them with “documents that they say show that insufficient  
 19 information is collected from Square and Cash App customers to assess their risks, that Square  
 20 processed thousands of transactions involving countries subject to economic sanctions and that  
 21 Block processed multiple cryptocurrency transactions for terrorist groups.”

22       182. On this news, the price of Block Class A common stock fell from \$73 per share at  
 23 market close on April 30, 2024, to \$66.84 per share at market close on May 1, 2024—a decline of  
 24 over 8% on unusually heavy trading volume of over 22 million shares traded. However, because  
 25 Defendants failed to disclose the full truth and continued to make material misrepresentations, the  
 26 price of Block Class A common stock remained artificially inflated.

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1           **E. May 2, 2025: Block Posts Another Disappointing Quarter of Earnings on Flat**  
 2           **User Growth.**

3           183. Regulatory scrutiny following the Hindenburg Report prompted Block to take its  
 4           KYC/AML obligations more seriously. Those efforts included: hiring an independent consultant  
 5           to review the comprehensiveness and effectiveness of its AML program; instituting a 24-hour,  
 6           live-person customer service, investigating unauthorized transactions and providing timely  
 7           refunds; and responding more promptly to SAR backlogs.

8           184. The result of this increased compliance focus and due diligence—both in terms of  
 9           making it more difficult for users to create unverified accounts or by denylisting and removing  
 10          fraudulent accounts—was that the Company’s monthly transacting active accounts stopped  
 11          growing. On May 1, 2025, following the close of trading, Block cut its profit forecast for 2025  
 12          and announced that it had missed estimates for earnings in the first quarter of 2025. Although the  
 13          Company claimed it was a victim of “macro” forces, financial analysts understood that the  
 14          Company’s decreased financial outlook was largely due to stagnant user growth on Cash App.

15          185. For example, Wells Fargo said that the Company’s “current weakness appears to  
 16          be driven by more than just macro pressure” and its analyst report said that Cash App’s “Key  
 17          Disclosure” was its “flat” number of monthly actives year over year. The firm Mizuho also  
 18          bemoaned the “[s]tagnant” growth of Cash App’s user base, taking note in particular that this was  
 19          the “fifth straight quarter of 57mn Cash App actives.” Reuters further noted that “[a]t least eight  
 20          brokerages reduced their price targets on the stock, citing weakness in the company’s peer-to-peer  
 21          Cash App and mounting competition.”

22          186. On this news that Defendants taking their compliance obligations seriously  
 23          impaired Cash App growth, the price of Block Class A common stock fell from \$58.48 per share  
 24          at market close on May 1, 2025, to \$46.53 per share at market close on May 2, 2025—a decline  
 25          of over 20% on unusually heavy trading volume of over 54 million shares traded.

26          187. Dr. McCarthy’s analysis explains why the stock market’s reaction to stagnant user  
 27          growth took time to materialize. When the Hindenburg Report was published in March 2023,  
 28          Block’s stock initially fell 22%, but the Company’s initial response downplayed the fraud

1 concerns. However, as evidence emerged over subsequent quarters showing significantly slowed  
 2 growth in active accounts—growth that went essentially flat in 2024 even as competitors such as  
 3 Venmo and Zelle maintained steady high-single-digit to double-digit expansion—it became  
 4 increasingly evident that Block’s enhanced fraud prevention measures were constraining user  
 5 growth, suggesting that prior growth had been artificially inflated by fraudulent accounts. The  
 6 comparative data makes Block’s stagnation stand out: while Cash App’s monthly transacting  
 7 users grew only 1.8% in 2024, Venmo added approximately 6 million users (9% growth) and  
 8 Zelle expanded by 31 million enrolled accounts (26% growth). Cash App was stagnating while  
 9 the rest of the market was growing strongly. This interpretation is consistent with the pattern  
 10 where companies implementing stronger verification controls often see temporary declines in  
 11 reported user metrics as duplicate and fraudulent accounts are eliminated, ultimately leading to  
 12 Block’s stock declining more than 45% from pre-report levels as the market recognized the extent  
 13 of the user metric inflation.

#### 14 **IX. INAPPLICABILITY OF THE STATUTORY SAFE HARBOR**

15 188. The statutory safe harbor applicable to forward-looking statements under certain  
 16 circumstances does not apply to any of the false or misleading statements pleaded in this  
 17 Complaint. The statements complained of herein were: (i) historical statements or statements of  
 18 purportedly current facts and conditions at the time the statements were made; (ii) mixed  
 19 statements of present and/or historical facts and future intent; and/or (iii) omitted to state material  
 20 current or historical facts necessary to make the statements not misleading.

21 189. Further, to the extent that any of the false or misleading statements alleged herein  
 22 could be construed as forward-looking, the statements were not accompanied by any meaningful  
 23 cautionary language identifying important facts that could cause actual results to differ materially  
 24 from those in the statements. Given the then-existing facts contradicting Defendants’ statements,  
 25 any generalized risk disclosures made by Defendants were not sufficient to insulate them from  
 26 liability for their materially false and misleading statements.

27 190. Alternatively, to the extent the statutory safe harbor otherwise would apply to any  
 28 forward-looking statements pleaded herein, Defendants are liable for those false and misleading

1 forward-looking statements because at the time each of those statements was made, the speaker  
 2 knew the statement was false or misleading, did not actually believe the statements, had no  
 3 reasonable basis for the statements, and/or was aware of undisclosed facts tending to seriously  
 4 undermine the statements' accuracy.

5 **X. PRESUMPTION OF RELIANCE**

6 191. Lead Plaintiff and other Class members are entitled to a presumption of reliance  
 7 established by the fraud-on-the-market doctrine as endorsed in *Basic Inc. v. Levinson*, 485 U.S.  
 8 224 (1988), and the presumption of reliance for omissions as endorsed in *Affiliated Ute Citizens*  
 9 *of Utah v. United States*, 406 U.S. 128 (1972).

10 192. Lead Plaintiff will rely upon the presumption of reliance established by the fraud-  
 11 on-the-market doctrine, in that:

- 12           a. Defendants made public misrepresentations or failed to disclose material  
 13 facts during the Class Period;
- 14           b. the misrepresentations and omissions were material;
- 15           c. Block Class A common stock was traded in an efficient market during the  
 16 Class Period;
- 17           d. the Company's shares were liquid and traded with moderate to heavy  
 18 volume during the Class Period;
- 19           e. the Company traded on the NYSE, and was covered by multiple analysts;
- 20           f. the misrepresentations and omissions alleged would tend to induce a  
 21 reasonable investor to misjudge the value of the Company's securities; and
- 22           g. Lead Plaintiff and members of the Class purchased and/or sold Block  
 23 common stock between the time Defendants failed to disclose or misrepresented material facts  
 24 and the time the true facts were disclosed, without knowledge of the misrepresented or omitted  
 25 facts.

26 193. As a result of the foregoing facts, the market for Block common stock promptly  
 27 digested current information regarding the Company from all publicly available sources and  
 28 reflected such information in the stock price. Under these circumstances, all purchasers of Block

1 common stock during the Class Period suffered similar injury through their purchase of the  
 2 Company's common stock at artificially inflated prices, and a presumption of reliance applies.

3       194. Alternatively, Lead Plaintiff and the Class are entitled to the presumption of  
 4 reliance established by the Supreme Court in *Affiliated Ute* to the extent Lead Plaintiff's claims  
 5 are grounded on Defendants' material omissions. Because this action involves Defendants' failure  
 6 to disclose material adverse information regarding Block's business operations and financial  
 7 performance—information Defendants were obligated to disclose—positive proof of reliance is  
 8 not a prerequisite to recovery. Rather, all that is necessary to invoke the *Affiliated Ute*  
 9 presumption of reliance is that the withheld facts were material in that a reasonable investor  
 10 would have considered them important in making investment decisions. Given the importance of  
 11 the Class Period material misstatements and omissions as set forth above, that requirement is  
 12 satisfied.

13       **XI. CLASS ACTION ALLEGATIONS**

14       195. Lead Plaintiff brings this action on its own and as a class action pursuant to  
 15 Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf all persons and entities who purchased  
 16 or acquired Block's Class A publicly traded common stock during the Class Period and were  
 17 damaged thereby (the "Class"). Excluded from the Class are Defendants herein, the officers and  
 18 directors of the Company, at all relevant times, members of their immediate families and their  
 19 legal representatives, heirs, successors or assigns, the Court, and any entity in which Defendants  
 20 have or had a controlling interest.

21       196. The members of the Class are so numerous that joinder of all members is  
 22 impracticable. Throughout the Class Period, Block Class A common stock actively traded on the  
 23 NYSE. While the exact number of Class members is unknown to Lead Plaintiff at this time and  
 24 can be ascertained only through appropriate discovery, Lead Plaintiff believes that there are  
 25 thousands of members in the proposed Class. Record owners and other members of the Class may  
 26 be identified from records maintained by Block or its transfer agent and may be notified of the  
 27 pendency of this action by mail, using the form of notice similar to that customarily used in  
 28 securities class actions.

1           197. Lead Plaintiff's claims are typical of the claims of the members of the Class, as all  
 2 members of the Class are similarly affected by Defendants' wrongful conduct in violation of  
 3 federal law that is complained of herein.

4           198. Lead Plaintiff will fairly and adequately protect the interests of the members of the  
 5 Class and has retained counsel competent and experienced in class and securities litigation. Lead  
 6 Plaintiff has no interests antagonistic to or in conflict with those of the Class.

7           199. Common questions of law and fact exist as to all members of the Class and  
 8 predominate over any questions solely affecting individual members of the Class. Among the  
 9 questions of law and fact common to the Class are:

10           a. whether the federal securities laws were violated by Defendants' acts as  
 11 alleged herein;

12           b. whether statements made by Defendants to the investing public during the  
 13 Class Period misrepresented material facts about the business, operations and management of  
 14 Block;

15           c. whether the Individual Defendants caused Block to issue false and  
 16 misleading financial statements during the Class Period;

17           d. whether Defendants acted knowingly or recklessly in issuing false and  
 18 misleading financial statements;

19           e. whether and to what extent the prices of Block common stock during the  
 20 Class Period were artificially inflated because of Defendants' conduct complained of herein;

21           f. whether reliance may be presumed; and

22           g. whether the members of the Class have sustained damages and, if so, what  
 23 is the proper measure of damages.

24           200. A class action is superior to all other available methods for the fair and efficient  
 25 adjudication of this controversy because joinder of all members is impracticable. Furthermore, as  
 26 the damages suffered by individual Class members may be relatively small, the expense and  
 27 burden of individual litigation make it impossible for members of the Class to individually

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1 redress the wrongs done to them. There will be no difficulty in the management of this action as a  
 2 class action.

3 **XII. CLAIMS FOR RELIEF**

4  
 5 **COUNT I**  
**Violation of Section 10(b) of the Exchange Act and SEC Rule 10b-5(b)**  
 6 **against Block, Dorsey, and Ahuja**

7 201. Lead Plaintiff repeats and re-alleges each and every allegation contained in the  
 8 foregoing paragraphs as if fully set forth herein.

9 202. This Count is asserted against Defendants and is based upon Section 10(b) of the  
 10 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the Securities and  
 11 Exchange Commission.

12 203. During the Class Period, Defendants engaged in a plan, scheme, conspiracy and  
 13 course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions,  
 14 practices and courses of business which operated as a fraud and deceit upon Lead Plaintiff and the  
 15 other members of the Class; made various untrue statements of material facts and omitted to state  
 16 material facts necessary in order to make the statements made, in light of the circumstances under  
 17 which they were made, not misleading; and employed devices, schemes and artifices to defraud in  
 18 connection with the purchase and sale of securities. Such scheme was intended to, and,  
 19 throughout the Class Period, did: (i) deceive the investing public, including Lead Plaintiff and  
 20 other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of  
 21 Block common stock; and (iii) cause Lead Plaintiff and other members of the Class to purchase or  
 22 otherwise acquire Block common stock at artificially inflated prices. In furtherance of this  
 23 unlawful scheme, plan and course of conduct, Defendants, and each of them, took the actions set  
 24 forth herein.

25 204. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the  
 26 Defendants participated directly or indirectly in the preparation and/or issuance of the quarterly  
 27 and annual reports, SEC filings, press releases and other statements and documents described  
 28 above, including statements made to securities analysts and the media that were designed to

1 influence the market for Block common stock. Such reports, filings, releases, and statements were  
 2 materially false and misleading in that they failed to disclose material adverse information and  
 3 misrepresented the truth about Block's finances and business prospects.

4       205. By virtue of their positions at Block, Defendants had actual knowledge of the  
 5 materially false and misleading statements and material omissions alleged herein and intended  
 6 thereby to deceive Lead Plaintiff and the other members of the Class, or, in the alternative,  
 7 Defendants acted with reckless disregard for the truth in that they failed or refused to ascertain  
 8 and disclose such facts as would reveal the materially false and misleading nature of the  
 9 statements made, although such facts were readily available to Defendants. Said acts and  
 10 omissions of Defendants were committed willfully or with reckless disregard for the truth. In  
 11 addition, each Defendant knew or recklessly disregarded that material facts were being  
 12 misrepresented or omitted as described above.

13       206. Information showing that Defendants acted knowingly or with reckless disregard  
 14 for the truth is peculiarly within Defendants' knowledge and control. As the senior managers  
 15 and/or directors of Block, the Individual Defendants had knowledge of the details of Block's  
 16 internal affairs.

17       207. The Individual Defendants are liable both directly and indirectly for the wrongs  
 18 complained of herein. Because of their positions of control and authority, the Individual  
 19 Defendants were able to and did, directly or indirectly, control the content of the statements of  
 20 Block. As officers and/or directors of a publicly-held company, the Individual Defendants had a  
 21 duty to disseminate timely, accurate, and truthful information with respect to Block's businesses,  
 22 operations, future financial condition and future prospects. As a result of the dissemination of the  
 23 aforementioned false and misleading reports, releases and public statements, the market price of  
 24 Block common stock was artificially inflated throughout the Class Period. In ignorance of the  
 25 adverse facts concerning Block's business and financial condition which were concealed by  
 26 Defendants, Lead Plaintiff and the other members of the Class purchased or otherwise acquired  
 27 Block common stock at artificially inflated prices and relied upon the price of the common stock,

28

the integrity of the market for the common stock, and/or upon statements disseminated by Defendants, and were damaged thereby.

3       208. During the Class Period, Block common stock was traded on an active and  
4 efficient market. Lead Plaintiff and the other members of the Class, relying on the materially false  
5 and misleading statements described herein, which the Defendants made, issued, or caused to be  
6 disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares  
7 of Block common stock at prices artificially inflated by Defendants' wrongful conduct. Had Lead  
8 Plaintiff and the other members of the Class known the truth, they would not have purchased or  
9 otherwise acquired said common stock, or would not have purchased or otherwise acquired them  
10 at the inflated prices that were paid. At the time of the purchases and/or acquisitions by Lead  
11 Plaintiff and the Class, the true value of Block Class A common stock was substantially lower  
12 than the prices paid by Lead Plaintiff and the other members of the Class. The market price of  
13 Block common stock declined sharply upon public disclosure of the facts alleged herein to the  
14 injury of Lead Plaintiff and Class members.

15        209. By reason of the conduct alleged herein, Defendants knowingly or recklessly,  
16 directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5  
17 promulgated thereunder.

18        210. As a direct and proximate result of Defendants' wrongful conduct, Lead Plaintiff  
19 and the other members of the Class suffered damages in connection with their respective  
20 purchases, acquisitions, and/or sales of the Company's common stock during the Class Period,  
21 upon the disclosure that the Company had been disseminating misrepresented financial statements  
22 to the investing public.

**COUNT II**  
**Violation of Section 20(a) of the Exchange Act**  
**Against Dorsey and Ahuja**

25        211. Lead Plaintiff repeats and re-alleges each and every allegation contained in the  
26 foregoing paragraphs as if fully set forth herein.

27        212. During the Class Period, the Individual Defendants participated in the operation  
28 and management of Block, and conducted and participated, directly and indirectly, in the conduct

1 of Block's business affairs. Because of their senior positions, they knew the adverse non-public  
 2 information about Block's business operations and financial performance.

3       213. As officers and/or directors of a publicly owned company, the Individual  
 4 Defendants had a duty to disseminate accurate and truthful information with respect to Block's  
 5 financial condition and results of operations, and to correct promptly any public statements issued  
 6 by Block which had become materially false or misleading.

7       214. Because of their positions of control and authority as senior officers, the Individual  
 8 Defendants were able to, and did, control the contents of the various reports, press releases and  
 9 public filings which Block disseminated in the marketplace during the Class Period concerning  
 10 Block's operations. Throughout the Class Period, the Individual Defendants exercised their power  
 11 and authority to cause Block to engage in the wrongful acts complained of herein. The Individual  
 12 Defendants, therefore, were "controlling persons" of Block within the meaning of Section 20(a)  
 13 of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which  
 14 artificially inflated the market price of Block Class A common stock.

15       215. Each of the Individual Defendants, therefore, acted as a controlling person of  
 16 Block. By reason of their senior management positions and/or being directors of Block, each of  
 17 the Individual Defendants had the power to direct the actions of, and exercised the same, to cause  
 18 Block to engage in the unlawful acts and conduct complained of herein. Each of the Individual  
 19 Defendants exercised control over the general operations of Block and possessed the power to  
 20 control the specific activities which comprise the primary violations about which Lead Plaintiff  
 21 and the other members of the Class complain.

22       216. By reason of the above conduct, the Individual Defendants are liable pursuant to  
 23 Section 20(a) of the Exchange Act for the violations committed by Block.

24 **XIII. PRAYER FOR RELIEF**

25       217. WHEREFORE, Lead Plaintiff demands judgment against Defendants as follows:

26           A. Determining this is a proper class action maintained under Rule 23(a) and  
 27 (b)(3) of the Federal Rules of Civil Procedure, certifying Lead Plaintiff as  
 28 class representative, and appointing Lieff Cabraser Heimann & Bernstein,

1 LLP and Cohen Milstein Sellers & Toll PLLC as class counsel under Rule  
 2 23(g);

3 B. Declaring and determining that Defendants violated the Exchange Act by  
 4 reason of the acts and omissions alleged in this Complaint;

5 C. Awarding Lead Plaintiff and other Class members compensatory damages  
 6 against all Defendants, jointly and severally, for all damages sustained as a  
 7 result of Defendants' wrongdoing, in an amount to be proven at trial,  
 8 including prejudgment interest;

9 D. Awarding Lead Plaintiff and other Class members their reasonable costs  
 10 and expenses incurred in connection with this action, including attorneys'  
 11 fees and costs; and

12 E. Granting such other and further relief as the Court may deem just and  
 13 proper.

14 **XIV. JURY DEMAND**

15 Lead Plaintiff demands a trial by jury on all issues so triable.

16  
 17 Date: June 18, 2025

Respectfully submitted,

18 LIEFF CABRASER HEIMANN & BERNSTEIN, LLP

19 /s/ Richard M. Heimann

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13 *Counsel for Lead Plaintiff NYC Funds and Co-Lead  
14 Counsel for the Proposed Class*

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# APPENDIX

**CERTIFICATION PURSUANT TO  
THE FEDERAL SECURITIES LAWS**

I, Alexandra D. Jung, on behalf of the Board of Education Retirement System of the City of New York (“BERS”), hereby certify that:

1. I am Senior Counsel at the New York City Law Department and authorized to execute this Certification on behalf of BERS. I have reviewed the Amended Complaint. BERS has authorized Cohen Milstein Sellers & Toll PLLC and Lieff Cabraser Heimann & Bernstein LLP to file the Amended Complaint on BERS’s behalf.
2. BERS did not purchase the securities that are the subject of this action at the direction of counsel, or in order to participate in any action arising under the federal securities laws.
3. BERS is willing to serve as a lead plaintiff and representative party on behalf of the Class, including providing testimony at deposition and trial, if necessary.
4. BERS’s transactions in Block Class A common stock that are the subject of this action, from February 26, 2020 to May 1, 2025, are set forth in the attached Schedule A.
5. During the three years prior to the date of this Certification, BERS sought to serve or served as a representative party for a class in the following actions: *Gonsalves v. Block, Inc. et al.*, No. 5:25-cv-00642 (N.D. Cal.) (appointed lead plaintiff); *Flannery v. Snowflake Inc. et al.*, No. 5:24-cv-01234 (N.D. Cal.) (appointed lead plaintiff); *Washtenaw County Employees’ Retirement System v. Dollar General Corporation et al.*, No. 3:23-cv-01250 (M.D. Tenn.) (not appointed lead plaintiff); *In re AT&T Securities Litigation*, No. 3:24-cv-01196 (N.D. Tex.) (appointed lead plaintiff); and *The New York City Fire Department Pension Fund et al. v. Coupang, Inc. et al.*, No. 1:22-cv-07309 (S.D.N.Y.) (appointed lead plaintiff).
6. BERS will not accept any payment for serving as a representative party on behalf of the class beyond BERS’s *pro rata* share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class, as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 18<sup>th</sup> day of June, 2025.

  
\_\_\_\_\_  
Alexandra D. Jung  
Senior Counsel  
New York City Law Department

SCHEDULE A**BERS**

<b>Trade Date</b>	<b>Transaction Type</b>	<b>Shares</b>	<b>Share Price (\$)</b>
6/2/2020	Purchase	350	87.68
6/2/2020	Purchase	697	87.09
6/2/2020	Purchase	124	85.92
6/2/2020	Purchase	4,019	86.52
6/2/2020	Purchase	765	88.00
6/3/2020	Purchase	30	89.88
6/3/2020	Purchase	5,120	91.37
6/3/2020	Purchase	443	91.97
6/26/2020	Purchase	146	104.30
6/26/2020	Purchase	737	104.30
6/26/2020	Purchase	8,100	104.30
8/13/2020	Sale	264	140.45
9/2/2020	Purchase	336	162.88
9/18/2020	Purchase	200	145.01
12/18/2020	Purchase	420	235.45
12/18/2020	Purchase	46	235.45
1/4/2021	Sale	584	221.16
2/16/2021	Sale	407	276.02
3/24/2021	Sale	678	213.51
4/23/2021	Purchase	100	246.43
6/9/2021	Sale	1,180	210.21
6/25/2021	Purchase	255	239.94
6/25/2021	Purchase	387	239.94
6/25/2021	Purchase	800	239.94
10/26/2021	Sale	606	263.39
11/19/2021	Sale	287	225.14
11/19/2021	Sale	250	225.14
1/18/2022	Purchase	2,000	129.59
1/19/2022	Purchase	2,619	128.14
1/27/2022	Purchase	2,008	105.51
1/27/2022	Purchase	1,048	105.64
1/27/2022	Purchase	56	104.36

Trade Date	Transaction Type	Shares	Share Price (\$)
1/27/2022	Purchase	244	104.85
2/4/2022	Purchase	3	107.91
2/4/2022	Purchase	1,227	104.79
2/4/2022	Purchase	312	109.83
2/4/2022	Purchase	7	108.03
2/4/2022	Sale	1,700	109.75
2/9/2022	Purchase	1,882	111.86
2/9/2022	Purchase	61	110.97
2/25/2022	Purchase	207	114.00
2/25/2022	Purchase	658	114.47
3/17/2022	Purchase	182	124.52
3/18/2022	Sale	299	140.64
5/19/2022	Purchase	959	87.25
5/23/2022	Purchase	689	83.10
6/24/2022	Purchase	2,952	71.00
6/24/2022	Purchase	1,800	71.00
7/13/2022	Purchase	1,263	63.30
8/19/2022	Sale	2,028	74.36
9/16/2022	Purchase	1,872	64.89
9/16/2022	Sale	800	64.89
10/11/2022	Purchase	297	54.89
12/16/2022	Purchase	300	62.51
12/28/2022	Purchase	288	59.25
1/11/2023	Purchase	1,100	71.01
3/17/2023	Purchase	3,300	73.98
4/21/2023	Sale	4,321	63.48
6/23/2023	Purchase	498	62.86
6/23/2023	Purchase	145	62.86
6/23/2023	Sale	15,200	62.86
12/15/2023	Purchase	144	74.21
12/15/2023	Purchase	2,781	74.21
12/21/2023	Purchase	793	76.85
2/12/2024	Sale	2,685	68.84
2/12/2024	Sale	5,265	67.46

<b>Trade Date</b>	<b>Transaction Type</b>	<b>Shares</b>	<b>Share Price (\$)</b>
3/11/2024	Sale	5,066	81.88
3/20/2024	Purchase	531	78.86
4/26/2024	Sale	434	74.48
6/21/2024	Purchase	272	62.41
9/20/2024	Purchase	913	67.46
11/18/2024	Purchase	334	90.64
11/18/2024	Purchase	361	90.79
11/19/2024	Purchase	510	91.33
11/19/2024	Purchase	146	91.57
11/19/2024	Purchase	75	92.42
11/19/2024	Purchase	31	90.18
11/19/2024	Purchase	72	90.25
11/19/2024	Purchase	26	91.84
11/19/2024	Purchase	303	91.92
11/19/2024	Purchase	72	90.91
11/19/2024	Purchase	75	92.37
11/19/2024	Purchase	1,194	92.49
11/20/2024	Purchase	286	91.18
12/17/2024	Sale	1,237	94.55
3/18/2025	Purchase	320	59.65
3/18/2025	Purchase	894	59.34
3/18/2025	Purchase	71	59.48
3/18/2025	Purchase	157	59.65
3/18/2025	Purchase	217	59.74
3/19/2025	Purchase	30	60.59
3/19/2025	Purchase	3	59.85
3/19/2025	Purchase	57	61.81
3/19/2025	Purchase	666	61.10
3/19/2025	Purchase	199	61.37
4/4/2025	Purchase	43	50.26
4/4/2025	Purchase	338	50.26
4/11/2025	Purchase	294	53.94

Prices listed are rounded to two decimal places.

**CERTIFICATION PURSUANT TO  
THE FEDERAL SECURITIES LAWS**

I, Alexandra D. Jung, on behalf of the New York City Fire Department Life Insurance Fund (“FDLIF”), hereby certify that:

1. I am Senior Counsel at the New York City Law Department and authorized to execute this Certification on behalf of FDLIF. I have reviewed the Amended Complaint. FDLIF has authorized Cohen Milstein Sellers & Toll PLLC and Lieff Cabraser Heimann & Bernstein LLP to file the Amended Complaint on FDLIF’s behalf.
2. FDLIF did not purchase the securities that are the subject of this action at the direction of counsel, or in order to participate in any action arising under the federal securities laws.
3. FDLIF is willing to serve as a lead plaintiff and representative party on behalf of the Class, including providing testimony at deposition and trial, if necessary.
4. FDLIF’s transactions in Block Class A common stock that are the subject of this action, from February 26, 2020 to May 1, 2025, are set forth in the attached Schedule A.
5. During the three years prior to the date of this Certification, FDLIF sought to serve or served as a representative party for a class in the following actions: *Gonsalves v. Block, Inc. et al.*, No. 5:25-cv-00642 (N.D. Cal.) (appointed lead plaintiff); and *Flannery v. Snowflake Inc. et al.*, No. 5:24-cv-01234 (N.D. Cal.) (appointed lead plaintiff).
6. FDLIF will not accept any payment for serving as a representative party on behalf of the class beyond FDLIF’s *pro rata* share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class, as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 18<sup>th</sup> day of June, 2025.

  
\_\_\_\_\_  
Alexandra D. Jung  
Senior Counsel  
New York City Law Department

**SCHEDULE A****FDLIF**

<b>Trade Date</b>	<b>Transaction Type</b>	<b>Shares</b>	<b>Share Price (\$)</b>
6/26/2020	Purchase	1	104.30
6/26/2020	Purchase	6	104.30
9/18/2020	Purchase	5	145.01
6/25/2021	Purchase	4	239.94
6/25/2021	Purchase	5	239.94
9/17/2021	Purchase	4	255.79
1/19/2022	Purchase	40	128.14
3/18/2022	Purchase	5	140.64
6/24/2022	Purchase	14	71.00
9/16/2022	Purchase	9	64.89
12/16/2022	Purchase	7	62.51
6/23/2023	Purchase	5	62.86
6/23/2023	Purchase	2	62.86
3/15/2024	Purchase	4	80.17
3/15/2024	Purchase	4	80.17
9/20/2024	Purchase	9	67.46
12/20/2024	Sale	7	89.65
1/16/2025	Sale	115	86.38

Prices listed are rounded to two decimal places.

**CERTIFICATION PURSUANT TO  
THE FEDERAL SECURITIES LAWS**

I, Alexandra D. Jung, on behalf of the New York City Fire Fighters' Variable Supplements Fund ("FFVSF"), hereby certify that:

1. I am Senior Counsel at the New York City Law Department and authorized to execute this Certification on behalf of FFVSF. I have reviewed the Amended Complaint. FFVSF has authorized Cohen Milstein Sellers & Toll PLLC and Lieff Cabraser Heimann & Bernstein LLP to file the Amended Complaint on FFVSF's behalf.
2. FFVSF did not purchase the securities that are the subject of this action at the direction of counsel, or in order to participate in any action arising under the federal securities laws.
3. FFVSF is willing to serve as a lead plaintiff and representative party on behalf of the Class, including providing testimony at deposition and trial, if necessary.
4. FFVSF's transactions in Block Class A common stock that are the subject of this action, from February 26, 2020 to May 1, 2025, are set forth in the attached Schedule A.
5. During the three years prior to the date of this Certification, FFVSF sought to serve or served as a representative party for a class in the following actions: *Gonsalves v. Block, Inc. et al.*, No. 5:25-cv-00642 (N.D. Cal.) (appointed lead plaintiff); and *Flannery v. Snowflake Inc. et al.*, No. 5:24-cv-01234 (N.D. Cal.) (appointed lead plaintiff).
6. FFVSF will not accept any payment for serving as a representative party on behalf of the class beyond FFVSF's *pro rata* share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class, as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 18<sup>th</sup> day of June, 2025.

  
Alexandra D. Jung  
Senior Counsel  
New York City Law Department

**SCHEDULE A****FFVSF**

Trade Date	Transaction Type	Shares	Share Price (\$)
6/26/2020	Purchase	15	104.30
6/26/2020	Purchase	77	104.30
9/18/2020	Purchase	48	145.01
12/9/2020	Sale	183	207.04
6/25/2021	Purchase	36	239.94
6/25/2021	Purchase	55	239.94
9/17/2021	Purchase	39	255.79
12/8/2021	Sale	214	194.78
1/19/2022	Purchase	387	128.14
6/24/2022	Purchase	180	71.00
9/16/2022	Purchase	66	64.89
12/9/2022	Sale	304	64.60
12/16/2022	Purchase	47	62.51
9/15/2023	Purchase	63	52.83
12/7/2023	Sale	293	68.47
3/15/2024	Purchase	17	80.17
3/15/2024	Purchase	41	80.17
9/20/2024	Purchase	58	67.46
12/9/2024	Sale	72	95.42
12/9/2024	Sale	17	95.42
12/20/2024	Purchase	43	89.65
3/21/2025	Sale	20	61.11
3/21/2025	Sale	42	61.11

Prices listed are rounded to two decimal places.

**CERTIFICATION PURSUANT TO  
THE FEDERAL SECURITIES LAWS**

I, Alexandra D. Jung, on behalf of the New York City Fire Department Pension Fund (“Fire”), hereby certify that:

1. I am Senior Counsel at the New York City Law Department and authorized to execute this Certification on behalf of Fire. I have reviewed the Amended Complaint. Fire has authorized Cohen Milstein Sellers & Toll PLLC and Lieff Cabraser Heimann & Bernstein LLP to file the Amended Complaint on Fire’s behalf.
2. Fire did not purchase the securities that are the subject of this action at the direction of counsel, or in order to participate in any action arising under the federal securities laws.
3. Fire is willing to serve as a lead plaintiff and representative party on behalf of the Class, including providing testimony at deposition and trial, if necessary.
4. Fire’s transactions in Block Class A common stock that are the subject of this action, from February 26, 2020 to May 1, 2025, are set forth in the attached Schedule A.
5. During the three years prior to the date of this Certification, Fire sought to serve or served as a representative party for a class in the following actions: *Gonsalves v. Block, Inc. et al.*, No. 5:25-cv-00642 (N.D. Cal.) (appointed lead plaintiff); *Flannery v. Snowflake Inc. et al.*, No. 5:24-cv-01234 (N.D. Cal.) (appointed lead plaintiff); *Washtenaw County Employees’ Retirement System v. Dollar General Corporation et al.*, No. 3:23-cv-01250 (M.D. Tenn.) (not appointed lead plaintiff); *KBC Asset Management NV et al v. Discover Financial Services et al.*, No. 1:23-cv-06788 (N.D. Ill.) (appointed lead plaintiff); *In re AT&T Securities Litigation*, No. 3:24-cv-01196 (N.D. Tex.) (appointed lead plaintiff); *The New York City Fire Department Pension Fund et al. v. Coupang, Inc. et al.*, No. 1:22-cv-07309 (S.D.N.Y.) (appointed lead plaintiff); and *Norfolk County Retirement System v. Community Health Systems, Inc. et al.*, No. 3:11-cv-00433 (M.D. Tenn.) (appointed lead plaintiff).
6. Fire will not accept any payment for serving as a representative party on behalf of the class beyond Fire’s *pro rata* share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class, as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 18<sup>th</sup> day of June, 2025.

  
Alexandra D. Jung  
Senior Counsel  
New York City Law Department

**SCHEDULE A****Fire**

<b>Trade Date</b>	<b>Transaction Type</b>	<b>Shares</b>	<b>Share Price (\$)</b>
3/6/2020	Sale	625	73.09
3/6/2020	Sale	281	73.09
6/2/2020	Purchase	700	87.68
6/2/2020	Purchase	1,393	87.09
6/2/2020	Purchase	248	85.92
6/2/2020	Purchase	8,034	86.52
6/2/2020	Purchase	1,529	88.00
6/3/2020	Purchase	60	89.88
6/3/2020	Purchase	10,238	91.37
6/3/2020	Purchase	886	91.97
6/9/2020	Sale	561	89.53
6/26/2020	Purchase	12,600	104.30
6/26/2020	Purchase	243	104.30
6/26/2020	Purchase	1,225	104.30
8/13/2020	Sale	530	140.45
9/18/2020	Purchase	400	145.01
9/18/2020	Purchase	726	145.01
10/27/2020	Sale	601	171.02
12/14/2020	Sale	393	215.86
12/18/2020	Purchase	816	235.45
1/4/2021	Sale	853	221.16
1/14/2021	Sale	871	232.79
2/16/2021	Sale	924	276.02
4/6/2021	Sale	800	236.50
4/21/2021	Sale	700	245.25
4/21/2021	Sale	300	245.25
6/1/2021	Sale	309	221.95
6/1/2021	Sale	241	221.95
6/9/2021	Sale	805	210.21
6/18/2021	Sale	816	237.05
6/25/2021	Purchase	600	239.94
6/25/2021	Purchase	434	239.94

Trade Date	Transaction Type	Shares	Share Price (\$)
6/25/2021	Purchase	658	239.94
9/15/2021	Sale	237	248.80
9/17/2021	Purchase	200	255.79
9/17/2021	Purchase	412	255.79
10/6/2021	Sale	337	239.12
10/26/2021	Sale	444	263.39
11/4/2021	Sale	431	247.46
11/11/2021	Sale	348	226.51
11/19/2021	Sale	173	225.14
11/19/2021	Sale	151	225.14
12/13/2021	Sale	392	175.44
1/6/2022	Sale	366	144.66
1/18/2022	Purchase	2,700	129.59
1/19/2022	Purchase	5,204	128.14
1/27/2022	Purchase	4,015	105.51
1/27/2022	Purchase	2,097	105.64
1/27/2022	Purchase	112	104.36
1/27/2022	Purchase	488	104.85
2/4/2022	Purchase	13	108.03
2/4/2022	Purchase	624	109.83
2/4/2022	Purchase	2,454	104.79
2/4/2022	Purchase	6	107.91
2/9/2022	Purchase	3,763	111.86
2/9/2022	Purchase	121	110.97
2/25/2022	Purchase	413	114.00
2/25/2022	Purchase	1,316	114.47
3/2/2022	Purchase	1,900	124.26
3/2/2022	Sale	4,072	124.26
3/4/2022	Purchase	1,600	106.52
3/17/2022	Purchase	363	124.52
5/19/2022	Purchase	1,917	87.25
5/23/2022	Purchase	1,377	83.10
6/24/2022	Purchase	2,000	71.00
6/24/2022	Purchase	3,416	71.00

Trade Date	Transaction Type	Shares	Share Price (\$)
7/13/2022	Purchase	2,526	63.30
8/19/2022	Sale	860	74.36
9/16/2022	Purchase	800	64.89
9/16/2022	Purchase	776	64.89
10/11/2022	Purchase	590	54.89
12/16/2022	Purchase	614	62.51
12/22/2022	Sale	625	60.59
12/28/2022	Purchase	577	59.25
3/17/2023	Purchase	400	73.98
6/9/2023	Sale	1,244	64.94
6/23/2023	Purchase	489	62.86
6/23/2023	Purchase	142	62.86
6/23/2023	Sale	21,400	62.86
8/1/2023	Sale	2,100	78.76
12/1/2023	Sale	626	65.04
12/13/2023	Sale	6,191	69.35
12/21/2023	Purchase	1,990	76.85
3/15/2024	Purchase	161	80.17
3/15/2024	Purchase	390	80.17
3/20/2024	Purchase	1,887	78.86
6/21/2024	Purchase	864	62.41
6/27/2024	Sale	1,017	63.39
9/20/2024	Purchase	722	67.46
10/9/2024	Purchase	4,022	68.27
11/18/2024	Purchase	5,820	90.00
11/18/2024	Purchase	9,570	88.36
11/18/2024	Purchase	690	89.99
11/18/2024	Purchase	11,420	88.64
11/18/2024	Purchase	1,051	90.64
11/18/2024	Purchase	1,137	90.79
11/18/2024	Purchase	2,280	86.41
11/19/2024	Purchase	3,758	92.49
11/19/2024	Purchase	954	91.92
11/19/2024	Purchase	236	92.37

Trade Date	Transaction Type	Shares	Share Price (\$)
11/19/2024	Purchase	1,605	91.33
11/19/2024	Purchase	81	91.84
11/19/2024	Purchase	461	91.57
11/19/2024	Purchase	97	90.18
11/19/2024	Purchase	227	90.25
11/19/2024	Purchase	236	92.42
11/19/2024	Purchase	227	90.91
11/20/2024	Purchase	900	91.18
11/22/2024	Purchase	1,860	92.54
11/25/2024	Purchase	560	90.53
12/20/2024	Purchase	647	89.65
12/30/2024	Sale	540	88.20
1/16/2025	Sale	6,550	85.53
2/20/2025	Sale	520	82.28
2/20/2025	Sale	910	82.57
2/20/2025	Sale	5,490	82.71
2/21/2025	Sale	550	71.80
2/21/2025	Sale	190	70.24
2/21/2025	Sale	24,000	71.46
3/18/2025	Purchase	886	59.65
3/18/2025	Purchase	197	59.48
3/18/2025	Purchase	436	59.65
3/18/2025	Purchase	601	59.74
3/18/2025	Purchase	2,478	59.34
3/19/2025	Purchase	82	60.59
3/19/2025	Purchase	8	59.85
3/19/2025	Purchase	1,849	61.10
3/19/2025	Purchase	157	61.81
3/19/2025	Purchase	551	61.37
4/2/2025	Purchase	5,640	58.08
4/2/2025	Purchase	800	58.11
4/3/2025	Purchase	5,760	54.78
4/4/2025	Purchase	925	50.26
4/4/2025	Purchase	118	50.26

Trade Date	Transaction Type	Shares	Share Price (\$)
4/11/2025	Purchase	1,053	53.94

Prices listed are rounded to two decimal places.

**CERTIFICATION PURSUANT TO  
THE FEDERAL SECURITIES LAWS**

I, Alexandra D. Jung, on behalf of the New York City Fire Officers' Variable Supplements Fund ("FOVSF"), hereby certify that:

1. I am Senior Counsel at the New York City Law Department and authorized to execute this Certification on behalf of FOVSF. I have reviewed the Amended Complaint. FOVSF has authorized Cohen Milstein Sellers & Toll PLLC and Lieff Cabraser Heimann & Bernstein LLP to file the Amended Complaint on FOVSF's behalf.
2. FOVSF did not purchase the securities that are the subject of this action at the direction of counsel, or in order to participate in any action arising under the federal securities laws.
3. FOVSF is willing to serve as a lead plaintiff and representative party on behalf of the Class, including providing testimony at deposition and trial, if necessary.
4. FOVSF's transactions in Block Class A common stock that are the subject of this action, from February 26, 2020 to May 1, 2025, are set forth in the attached Schedule A.
5. During the three years prior to the date of this Certification, FOVSF sought to serve or served as a representative party for a class in the following actions: *Gonsalves v. Block, Inc. et al.*, No. 5:25-cv-00642 (N.D. Cal.) (appointed lead plaintiff); and *Flannery v. Snowflake Inc. et al.*, No. 5:24-cv-01234 (N.D. Cal.) (appointed lead plaintiff).
6. FOVSF will not accept any payment for serving as a representative party on behalf of the class beyond FOVSF's *pro rata* share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class, as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 18<sup>th</sup> day of June, 2025.

  
Alexandra D. Jung  
Senior Counsel  
New York City Law Department

**SCHEDULE A****FOVSF**

<b>Trade Date</b>	<b>Transaction Type</b>	<b>Shares</b>	<b>Share Price (\$)</b>
5/12/2020	Purchase	29	75.21
6/26/2020	Purchase	7	104.30
6/26/2020	Purchase	36	104.30
9/18/2020	Purchase	34	145.01
1/25/2021	Sale	124	216.64
6/25/2021	Purchase	25	239.94
6/25/2021	Purchase	38	239.94
9/17/2021	Purchase	27	255.79
1/19/2022	Purchase	306	128.14
1/27/2022	Sale	67	105.64
5/20/2022	Purchase	29	83.44
6/24/2022	Purchase	101	71.00
9/16/2022	Purchase	56	64.89
12/16/2022	Purchase	52	62.51
1/24/2023	Sale	207	80.79
4/13/2023	Sale	37	64.56
6/23/2023	Purchase	29	62.86
6/23/2023	Purchase	9	62.86
1/23/2024	Sale	197	66.20
3/15/2024	Purchase	25	80.17
3/15/2024	Purchase	10	80.17
9/20/2024	Purchase	44	67.46
12/20/2024	Sale	34	89.65
1/23/2025	Sale	151	87.80

Prices listed are rounded to two decimal places.

**CERTIFICATION PURSUANT TO  
THE FEDERAL SECURITIES LAWS**

I, Alexandra D. Jung, on behalf of the New York City Employees' Retirement System ("NYCERS"), hereby certify that:

1. I am Senior Counsel at the New York City Law Department and authorized to execute this Certification on behalf of NYCERS. I have reviewed the Amended Complaint. NYCERS has authorized Cohen Milstein Sellers & Toll PLLC and Lieff Cabraser Heimann & Bernstein LLP to file the Amended Complaint on NYCERS's behalf.
2. NYCERS did not purchase the securities that are the subject of this action at the direction of counsel, or in order to participate in any action arising under the federal securities laws.
3. NYCERS is willing to serve as a lead plaintiff and representative party on behalf of the Class, including providing testimony at deposition and trial, if necessary.
4. NYCERS's transactions in Block Class A common stock that are the subject of this action, from February 26, 2020 to May 1, 2025, are set forth in the attached Schedule A.
5. During the three years prior to the date of this Certification, NYCERS sought to serve or served as a representative party for a class in the following actions: *Gonsalves v. Block, Inc. et al.*, No. 5:25-cv-00642 (N.D. Cal.) (appointed lead plaintiff); *Flannery v. Snowflake Inc. et al.*, No. 5:24-cv-01234 (N.D. Cal.) (appointed lead plaintiff); *KBC Asset Management NV et al v. Discover Financial Services et al.*, No. 1:23-cv-06788 (N.D. Ill.) (appointed lead plaintiff); *In re AT&T Securities Litigation*, No. 3:24-cv-01196 (N.D. Tex.) (appointed lead plaintiff); *The New York City Fire Department Pension Fund et al. v. Coupang, Inc. et al.*, No. 1:22-cv-07309 (S.D.N.Y.) (appointed lead plaintiff); and *Norfolk County Retirement System v. Community Health Systems, Inc. et al.*, No. 3:11-cv-00433 (M.D. Tenn.) (appointed lead plaintiff).
6. NYCERS will not accept any payment for serving as a representative party on behalf of the class beyond NYCERS's *pro rata* share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class, as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 18<sup>th</sup> day of June, 2025.

  
Alexandra D. Jung  
Senior Counsel  
New York City Law Department

**SCHEDULE A****NYCERS**

<b>Trade Date</b>	<b>Transaction Type</b>	<b>Shares</b>	<b>Share Price (\$)</b>
6/26/2020	Purchase	1,128	104.30
6/26/2020	Purchase	5,677	104.30
9/1/2020	Sale	6,790	166.66
9/18/2020	Purchase	5,017	145.01
10/27/2020	Sale	4,336	171.02
12/18/2020	Purchase	3,402	235.45
1/4/2021	Sale	3,957	221.16
1/14/2021	Sale	3,244	232.79
2/16/2021	Sale	3,538	276.02
2/22/2021	Purchase	126	272.43
4/7/2021	Sale	3,821	245.12
4/21/2021	Sale	589	245.25
4/21/2021	Sale	1,082	245.25
6/1/2021	Sale	1,682	221.95
6/1/2021	Sale	1,311	221.95
6/9/2021	Sale	4,542	210.21
6/18/2021	Sale	3,528	237.05
6/25/2021	Purchase	2,782	239.94
6/25/2021	Purchase	4,218	239.94
9/17/2021	Purchase	5,968	255.79
10/26/2021	Sale	9,031	263.39
11/3/2021	Purchase	24,175	251.14
12/17/2021	Purchase	3,070	167.06
1/19/2022	Purchase	20,028	128.14
1/27/2022	Purchase	3,445	105.51
1/27/2022	Purchase	1,799	105.64
1/27/2022	Purchase	96	104.36
1/27/2022	Purchase	418	104.85
2/4/2022	Purchase	6	107.91
2/4/2022	Purchase	2,508	104.79
2/4/2022	Purchase	638	109.83
2/4/2022	Purchase	14	108.03

Trade Date	Transaction Type	Shares	Share Price (\$)
2/9/2022	Purchase	3,848	111.86
2/9/2022	Purchase	124	110.97
2/14/2022	Purchase	8,300	111.64
2/14/2022	Sale	32,183	111.64
2/16/2022	Purchase	14,363	109.00
2/25/2022	Purchase	422	114.00
2/25/2022	Purchase	1,344	114.47
3/2/2022	Purchase	8,400	124.26
3/2/2022	Sale	15,971	124.26
3/17/2022	Purchase	371	124.52
3/18/2022	Purchase	16,194	140.64
3/18/2022	Purchase	1,477	140.64
4/5/2022	Purchase	7,900	135.92
4/5/2022	Purchase	900	135.92
4/5/2022	Sale	3,271	135.92
4/6/2022	Purchase	200	126.18
5/19/2022	Purchase	1,960	87.25
5/23/2022	Purchase	1,411	83.10
6/24/2022	Purchase	2,900	71.00
7/13/2022	Purchase	2,763	63.30
9/16/2022	Sale	800	64.89
9/16/2022	Sale	300	64.89
9/16/2022	Sale	800	64.89
10/11/2022	Purchase	566	54.89
11/10/2022	Purchase	1,900	67.37
12/16/2022	Purchase	800	62.51
12/28/2022	Purchase	562	59.25
1/11/2023	Purchase	2,400	71.01
3/17/2023	Purchase	7,300	73.98
4/21/2023	Sale	61,827	63.48
6/23/2023	Sale	39,100	62.86
12/21/2023	Purchase	1,635	76.54
3/15/2024	Purchase	34,864	80.17
3/15/2024	Purchase	14,400	80.17

Trade Date	Transaction Type	Shares	Share Price (\$)
3/20/2024	Purchase	2,063	78.86
4/1/2024	Sale	9,935	81.46
4/15/2024	Sale	6,237	73.50
4/19/2024	Sale	2,344	70.42
4/26/2024	Sale	2,701	74.48
6/21/2024	Purchase	1,103	62.41
6/28/2024	Purchase	3,996	64.49
7/18/2024	Purchase	596	69.05
7/18/2024	Purchase	6,219	69.03
7/25/2024	Sale	1,278	62.34
8/2/2024	Purchase	1,596	59.98
8/2/2024	Purchase	2,806	60.29
9/9/2024	Purchase	106	61.87
9/9/2024	Purchase	155	62.09
9/9/2024	Purchase	38	62.60
9/9/2024	Purchase	769	62.20
9/20/2024	Purchase	6,287	67.46
10/15/2024	Purchase	165	71.45
10/16/2024	Purchase	910	72.41
10/16/2024	Purchase	71	72.21
10/28/2024	Purchase	434	74.30
10/28/2024	Purchase	143	74.12
10/28/2024	Purchase	356	74.30
11/4/2024	Purchase	71	73.46
11/4/2024	Purchase	222	72.89
11/4/2024	Purchase	122	72.82
11/4/2024	Purchase	242	73.49
11/4/2024	Purchase	291	73.06
11/6/2024	Purchase	80	76.17
11/6/2024	Purchase	2,399	77.21
11/6/2024	Purchase	392	76.22
11/6/2024	Sale	4,047	77.64
11/7/2024	Purchase	403	77.09
11/7/2024	Purchase	518	77.03

Trade Date	Transaction Type	Shares	Share Price (\$)
11/13/2024	Purchase	117	88.53
11/13/2024	Purchase	382	86.12
11/13/2024	Purchase	1,281	86.63
11/14/2024	Purchase	1,748	84.04
11/14/2024	Purchase	443	83.94
11/14/2024	Purchase	358	84.04
11/18/2024	Purchase	13,170	88.64
11/18/2024	Purchase	800	89.99
11/18/2024	Purchase	1,228	90.64
11/18/2024	Purchase	1,329	90.79
11/18/2024	Purchase	2,630	86.41
11/18/2024	Purchase	6,710	90.00
11/18/2024	Purchase	11,030	88.36
11/18/2024	Sale	9,395	90.79
11/19/2024	Purchase	266	90.91
11/19/2024	Purchase	539	91.57
11/19/2024	Purchase	1,125	92.49
11/19/2024	Purchase	266	90.25
11/19/2024	Purchase	95	91.84
11/19/2024	Purchase	448	91.88
11/19/2024	Purchase	4,390	92.49
11/19/2024	Purchase	113	90.18
11/19/2024	Purchase	276	92.37
11/19/2024	Purchase	1,114	91.92
11/19/2024	Purchase	276	92.42
11/19/2024	Purchase	1,876	91.33
11/20/2024	Purchase	1,050	91.18
11/22/2024	Purchase	3,430	92.54
11/25/2024	Purchase	350	90.53
12/10/2024	Purchase	192	94.10
12/11/2024	Purchase	960	98.09
12/12/2024	Purchase	188	96.45
12/17/2024	Sale	7,949	94.55
12/30/2024	Sale	1,070	88.20

<b>Trade Date</b>	<b>Transaction Type</b>	<b>Shares</b>	<b>Share Price (\$)</b>
1/16/2025	Sale	685	86.38
1/16/2025	Sale	4,142	86.38
2/20/2025	Sale	1,050	82.57
2/20/2025	Sale	590	82.28
2/20/2025	Sale	6,330	82.71
2/21/2025	Sale	29,140	71.46
2/21/2025	Sale	230	70.24
2/21/2025	Sale	670	71.80
3/10/2025	Sale	1,268	54.74
3/10/2025	Sale	90	54.23
3/10/2025	Sale	406	54.00
3/10/2025	Sale	645	54.12
3/18/2025	Purchase	261	59.48
3/18/2025	Purchase	1,175	59.65
3/18/2025	Purchase	579	59.65
3/18/2025	Purchase	3,288	59.34
3/18/2025	Purchase	797	59.74
3/19/2025	Purchase	2,453	61.10
3/19/2025	Purchase	109	60.59
3/19/2025	Purchase	10	59.85
3/19/2025	Purchase	209	61.81
3/19/2025	Purchase	732	61.37
4/1/2025	Sale	1,358	54.73
4/1/2025	Sale	123	55.11
4/1/2025	Sale	963	54.52
4/2/2025	Purchase	6,510	58.08
4/2/2025	Purchase	930	58.11
4/3/2025	Purchase	6,630	54.78
4/11/2025	Sale	104	51.80
4/17/2025	Sale	1,189	53.72

Prices listed are rounded to two decimal places.

**CERTIFICATION PURSUANT TO  
THE FEDERAL SECURITIES LAWS**

I, Alexandra D. Jung, on behalf of the New York City Police Officers' Variable Supplements Fund ("POVSF"), hereby certify that:

1. I am Senior Counsel at the New York City Law Department and authorized to execute this Certification on behalf of POVSF. I have reviewed the Amended Complaint. POV SF has authorized Cohen Milstein Sellers & Toll PLLC and Lieff Cabraser Heimann & Bernstein LLP to file the Amended Complaint on POV SF's behalf.
2. POV SF did not purchase the securities that are the subject of this action at the direction of counsel, or in order to participate in any action arising under the federal securities laws.
3. POV SF is willing to serve as a lead plaintiff and representative party on behalf of the Class, including providing testimony at deposition and trial, if necessary.
4. POV SF's transactions in Block Class A common stock that are the subject of this action, from February 26, 2020 to May 1, 2025, are set forth in the attached Schedule A.
5. During the three years prior to the date of this Certification, POV SF sought to serve or served as a representative party for a class in the following actions: *Gonsalves v. Block, Inc. et al.*, No. 5:25-cv-00642 (N.D. Cal.) (appointed lead plaintiff); and *Flannery v. Snowflake Inc. et al.*, No. 5:24-cv-01234 (N.D. Cal.) (appointed lead plaintiff).
6. POV SF will not accept any payment for serving as a representative party on behalf of the class beyond POV SF's *pro rata* share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class, as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 18<sup>th</sup> day of June, 2025.

  
Alexandra D. Jung  
Senior Counsel  
New York City Law Department

**SCHEDULE A****POVSF**

<b>Trade Date</b>	<b>Transaction Type</b>	<b>Shares</b>	<b>Share Price (\$)</b>
6/26/2020	Purchase	54	104.30
6/26/2020	Purchase	273	104.30
9/18/2020	Purchase	176	145.01
12/9/2020	Sale	373	207.04
6/25/2021	Purchase	138	239.94
6/25/2021	Purchase	210	239.94
9/17/2021	Purchase	149	255.79
12/8/2021	Sale	657	194.78
1/19/2022	Purchase	1,523	128.14
6/21/2022	Purchase	616	60.52
6/24/2022	Purchase	642	71.00
9/16/2022	Purchase	254	64.89
12/9/2022	Sale	1,192	64.60
12/16/2022	Purchase	208	62.51
6/23/2023	Purchase	163	62.86
6/23/2023	Purchase	47	62.86
8/24/2023	Sale	242	55.63
8/29/2023	Purchase	251	57.76
12/7/2023	Sale	1,034	68.47
12/15/2023	Purchase	9	74.21
12/15/2023	Purchase	180	74.21
6/28/2024	Purchase	239	64.49
9/20/2024	Sale	154	67.46
9/20/2024	Sale	46	67.46
9/20/2024	Sale	44	67.46
11/19/2024	Purchase	43	92.42
11/19/2024	Purchase	112	92.42
11/19/2024	Purchase	227	92.42
12/9/2024	Sale	351	95.42
12/9/2024	Sale	79	95.42
12/20/2024	Purchase	182	89.65
3/21/2025	Sale	85	61.11

Trade Date	Transaction Type	Shares	Share Price (\$)
3/21/2025	Sale	180	61.11

Prices listed are rounded to two decimal places.

**CERTIFICATION PURSUANT TO  
THE FEDERAL SECURITIES LAWS**

I, Alexandra D. Jung, on behalf of the New York City Police Superior Officers' Variable Supplement Fund ("PSOVSF"), hereby certify that:

1. I am Senior Counsel at the New York City Law Department and authorized to execute this Certification on behalf of PSOVSF. I have reviewed the Amended Complaint. PSOVSF has authorized Cohen Milstein Sellers & Toll PLLC and Lieff Cabraser Heimann & Bernstein LLP to file the Amended Complaint on PSOVSF's behalf.
2. PSOVSF did not purchase the securities that are the subject of this action at the direction of counsel, or in order to participate in any action arising under the federal securities laws.
3. PSOVSF is willing to serve as a lead plaintiff and representative party on behalf of the Class, including providing testimony at deposition and trial, if necessary.
4. PSOVSF's transactions in Block Class A common stock that are the subject of this action, from February 26, 2020 to May 1, 2025, are set forth in the attached Schedule A.
5. During the three years prior to the date of this Certification, PSOVSF sought to serve or served as a representative party for a class in the following actions: *Gonsalves v. Block, Inc. et al.*, No. 5:25-cv-00642 (N.D. Cal.) (appointed lead plaintiff); and *Flannery v. Snowflake Inc. et al.*, No. 5:24-cv-01234 (N.D. Cal.) (appointed lead plaintiff).
6. PSOVSF will not accept any payment for serving as a representative party on behalf of the class beyond PSOVSF's *pro rata* share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class, as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 18<sup>th</sup> day of June, 2025.

  
\_\_\_\_\_  
Alexandra D. Jung  
Senior Counsel  
New York City Law Department

**SCHEDULE A****PSOVSF**

<b>Trade Date</b>	<b>Transaction Type</b>	<b>Shares</b>	<b>Share Price (\$)</b>
6/26/2020	Purchase	206	104.30
6/26/2020	Purchase	1,035	104.30
9/18/2020	Purchase	322	145.01
12/9/2020	Sale	719	207.04
6/25/2021	Purchase	231	239.94
6/25/2021	Purchase	350	239.94
9/17/2021	Purchase	249	255.79
12/8/2021	Sale	1,476	194.78
1/19/2022	Purchase	2,429	128.14
6/21/2022	Purchase	373	60.52
6/24/2022	Purchase	995	71.00
9/16/2022	Purchase	405	64.89
12/9/2022	Sale	1,825	64.60
12/16/2022	Purchase	304	62.51
6/12/2023	Purchase	567	64.20
12/7/2023	Sale	1,259	68.47
12/15/2023	Purchase	7	74.21
12/15/2023	Purchase	145	74.21
3/15/2024	Purchase	131	80.17
3/15/2024	Purchase	54	80.17
9/20/2024	Purchase	196	67.46
11/19/2024	Purchase	2,389	92.42
12/9/2024	Sale	358	95.42
12/9/2024	Sale	1,612	95.42
12/20/2024	Purchase	155	89.65

Prices listed are rounded to two decimal places.

**CERTIFICATION PURSUANT TO  
THE FEDERAL SECURITIES LAWS**

I, Alexandra D. Jung, on behalf of the Teachers' Retirement System of the City of New York ("TRS"), hereby certify that:

1. I am Senior Counsel at the New York City Law Department and authorized to execute this Certification on behalf of TRS. I have reviewed the Amended Complaint. TRS has authorized Cohen Milstein Sellers & Toll PLLC and Lieff Cabraser Heimann & Bernstein LLP to file the Amended Complaint on TRS's behalf.
2. TRS did not purchase the securities that are the subject of this action at the direction of counsel, or in order to participate in any action arising under the federal securities laws.
3. TRS is willing to serve as a lead plaintiff and representative party on behalf of the Class, including providing testimony at deposition and trial, if necessary.
4. TRS's transactions in Block Class A common stock that are the subject of this action, from February 26, 2020 to May 1, 2025, are set forth in the attached Schedule A.
5. During the three years prior to the date of this Certification, TRS sought to serve or served as a representative party for a class in the following actions: *Gonsalves v. Block, Inc. et al.*, No. 5:25-cv-00642 (N.D. Cal.) (appointed lead plaintiff); *Flannery v. Snowflake Inc. et al.*, No. 5:24-cv-01234 (N.D. Cal.) (appointed lead plaintiff); *KBC Asset Management NV et al v. Discover Financial Services et al.*, No. 1:23-cv-06788 (N.D. Ill.) (appointed lead plaintiff); *In re AT&T Securities Litigation*, No. 3:24-cv-01196 (N.D. Tex.) (appointed lead plaintiff); *The New York City Fire Department Pension Fund et al. v. Coupang, Inc. et al.*, No. 1:22-cv-07309 (S.D.N.Y.) (appointed lead plaintiff); and *Norfolk County Retirement System v. Community Health Systems, Inc. et al.*, No. 3:11-cv-00433 (M.D. Tenn.) (appointed lead plaintiff).
6. TRS will not accept any payment for serving as a representative party on behalf of the class beyond TRS's *pro rata* share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class, as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 18<sup>th</sup> day of June, 2025.

Alexandra Jung  
Alexandra D. Jung  
Senior Counsel  
New York City Law Department

**SCHEDULE A****TRS**

<b>Trade Date</b>	<b>Transaction Type</b>	<b>Shares</b>	<b>Share Price (\$)</b>
3/6/2020	Sale	4,068	73.09
3/6/2020	Sale	1,824	73.09
6/11/2020	Sale	4,699	86.09
6/26/2020	Purchase	1,919	104.30
6/26/2020	Purchase	9,656	104.30
9/18/2020	Purchase	6,313	145.01
10/27/2020	Sale	2,721	171.02
1/4/2021	Sale	4,177	221.16
1/14/2021	Sale	2,448	232.79
2/16/2021	Sale	3,353	276.02
4/7/2021	Sale	3,606	245.12
4/21/2021	Sale	1,360	245.25
4/21/2021	Sale	2,498	245.25
6/1/2021	Sale	2,262	221.95
6/1/2021	Sale	1,763	221.95
6/9/2021	Sale	5,126	210.21
6/25/2021	Purchase	4,021	239.94
6/25/2021	Purchase	6,098	239.94
11/3/2021	Purchase	30,218	251.14
11/19/2021	Sale	7,210	225.14
11/19/2021	Sale	6,289	225.14
12/17/2021	Purchase	11,690	167.06
1/19/2022	Purchase	30,017	128.14
1/27/2022	Purchase	4,306	105.51
1/27/2022	Purchase	523	104.85
1/27/2022	Purchase	2,248	105.64
1/27/2022	Purchase	120	104.36
2/4/2022	Purchase	17	108.03
2/4/2022	Purchase	3,135	104.79
2/4/2022	Purchase	797	109.83
2/4/2022	Purchase	8	107.91
2/9/2022	Purchase	4,810	111.86

<b>Trade Date</b>	<b>Transaction Type</b>	<b>Shares</b>	<b>Share Price (\$)</b>
2/9/2022	Purchase	155	110.97
2/14/2022	Purchase	7,800	111.64
2/14/2022	Sale	71,826	111.64
2/25/2022	Purchase	527	114.00
2/25/2022	Purchase	1,680	114.47
2/28/2022	Purchase	60,098	127.50
3/2/2022	Purchase	7,900	124.26
3/17/2022	Purchase	464	124.52
3/18/2022	Sale	400	140.64
3/18/2022	Sale	700	140.64
3/18/2022	Sale	10,907	140.64
4/5/2022	Purchase	10,500	135.92
4/5/2022	Purchase	1,300	135.92
4/5/2022	Sale	7,172	135.92
4/6/2022	Purchase	200	126.09
5/19/2022	Purchase	2,450	87.25
5/23/2022	Purchase	1,764	83.10
6/24/2022	Purchase	23,400	71.00
6/27/2022	Sale	6,000	69.39
7/13/2022	Purchase	3,454	63.30
8/5/2022	Purchase	11,300	87.73
9/16/2022	Purchase	11,275	64.89
9/16/2022	Sale	200	64.89
9/16/2022	Sale	2,900	64.89
9/16/2022	Sale	300	64.89
9/16/2022	Sale	2,200	64.89
10/11/2022	Purchase	711	54.89
10/17/2022	Purchase	19,200	55.92
10/17/2022	Purchase	2,100	55.92
12/16/2022	Sale	300	62.51
12/16/2022	Sale	400	62.51
12/16/2022	Sale	600	62.51
12/16/2022	Sale	200	62.51
12/16/2022	Sale	6,300	62.51

<b>Trade Date</b>	<b>Transaction Type</b>	<b>Shares</b>	<b>Share Price (\$)</b>
12/16/2022	Sale	300	62.51
12/16/2022	Sale	200	62.51
12/16/2022	Sale	200	62.51
12/28/2022	Purchase	704	59.25
1/11/2023	Purchase	20,000	71.01
3/17/2023	Purchase	2,500	73.98
3/24/2023	Sale	36,300	60.68
6/16/2023	Sale	900	66.51
6/16/2023	Sale	100	66.51
6/23/2023	Sale	47,700	62.86
12/15/2023	Purchase	307	74.21
12/15/2023	Purchase	5,944	74.21
12/21/2023	Purchase	2,032	76.54
3/15/2024	Purchase	786	80.17
3/15/2024	Purchase	1,902	80.17
3/20/2024	Purchase	2,423	78.86
4/22/2024	Sale	4,172	71.60
4/22/2024	Sale	1,549	71.60
5/7/2024	Sale	3,094	71.60
6/21/2024	Purchase	1,448	62.41
6/28/2024	Purchase	10,265	64.49
7/11/2024	Sale	3,527	66.49
7/18/2024	Purchase	903	69.05
7/18/2024	Purchase	9,432	69.03
8/2/2024	Purchase	2,972	59.98
8/2/2024	Purchase	5,223	60.29
9/9/2024	Purchase	197	61.87
9/9/2024	Purchase	71	62.60
9/9/2024	Purchase	289	62.09
9/9/2024	Purchase	1,432	62.20
9/24/2024	Sale	3,395	67.54
10/15/2024	Purchase	268	71.45
10/16/2024	Purchase	1,693	72.41
10/16/2024	Purchase	133	72.21

Trade Date	Transaction Type	Shares	Share Price (\$)
10/28/2024	Purchase	663	74.30
10/28/2024	Purchase	809	74.30
10/28/2024	Purchase	265	74.12
11/4/2024	Purchase	542	73.06
11/4/2024	Purchase	132	73.46
11/4/2024	Purchase	227	72.82
11/4/2024	Purchase	452	73.49
11/4/2024	Purchase	413	72.89
11/6/2024	Purchase	730	76.22
11/6/2024	Purchase	4,467	77.21
11/6/2024	Purchase	148	76.17
11/7/2024	Purchase	750	77.09
11/7/2024	Purchase	965	77.03
11/13/2024	Purchase	2,386	86.63
11/13/2024	Purchase	221	88.53
11/13/2024	Purchase	711	86.12
11/14/2024	Purchase	825	83.94
11/14/2024	Purchase	3,255	84.04
11/14/2024	Purchase	666	84.04
11/18/2024	Purchase	4,020	86.41
11/18/2024	Purchase	1,532	90.64
11/18/2024	Purchase	10,230	90.00
11/18/2024	Purchase	16,800	88.36
11/18/2024	Purchase	1,659	90.79
11/18/2024	Purchase	1,210	89.99
11/18/2024	Purchase	20,080	88.64
11/19/2024	Purchase	1,391	91.92
11/19/2024	Purchase	2,096	92.49
11/19/2024	Purchase	2,341	91.33
11/19/2024	Purchase	5,480	92.49
11/19/2024	Purchase	332	90.91
11/19/2024	Purchase	119	91.84
11/19/2024	Purchase	332	90.25
11/19/2024	Purchase	833	91.88

Trade Date	Transaction Type	Shares	Share Price (\$)
11/19/2024	Purchase	344	92.42
11/19/2024	Purchase	141	90.18
11/19/2024	Purchase	672	91.57
11/19/2024	Purchase	344	92.37
11/19/2024	Sale	6,580	91.04
11/20/2024	Purchase	1,311	91.18
11/22/2024	Purchase	380	92.54
11/27/2024	Purchase	290	89.06
12/5/2024	Purchase	480	97.55
12/9/2024	Sale	14,751	95.42
12/9/2024	Sale	3,271	95.42
12/10/2024	Purchase	362	94.10
12/11/2024	Purchase	1,110	98.09
12/12/2024	Purchase	352	96.45
12/17/2024	Sale	11,029	94.55
1/16/2025	Sale	13,537	85.53
2/20/2025	Sale	1,280	82.57
2/20/2025	Sale	720	82.28
2/20/2025	Sale	7,710	82.71
2/21/2025	Sale	850	71.80
2/21/2025	Sale	37,160	71.46
2/21/2025	Sale	300	70.24
3/10/2025	Sale	169	54.22
3/10/2025	Sale	2,361	54.74
3/10/2025	Sale	756	54.00
3/10/2025	Sale	1,201	54.12
3/18/2025	Purchase	3,410	59.34
3/18/2025	Purchase	827	59.74
3/18/2025	Purchase	600	59.65
3/18/2025	Purchase	1,218	59.65
3/18/2025	Purchase	271	59.48
3/19/2025	Purchase	216	61.81
3/19/2025	Purchase	2,544	61.10
3/19/2025	Purchase	759	61.37

Trade Date	Transaction Type	Shares	Share Price (\$)
3/19/2025	Purchase	113	60.59
3/19/2025	Purchase	10	59.85
4/1/2025	Sale	2,528	54.73
4/1/2025	Sale	230	55.11
4/1/2025	Sale	1,794	54.52
4/2/2025	Purchase	1,130	58.11
4/2/2025	Purchase	7,940	58.08
4/3/2025	Purchase	8,100	54.78
4/11/2025	Purchase	3,924	53.94
4/11/2025	Sale	180	51.80
4/17/2025	Sale	2,214	53.72

Prices listed are rounded to two decimal places.

**CERTIFICATION PURSUANT TO  
THE FEDERAL SECURITIES LAWS**

I, Alexandra D. Jung, on behalf of the Teachers' Retirement System of the City of New York Variable A ("TRS Var-A"), hereby certify that:

1. I am Senior Counsel at the New York City Law Department and authorized to execute this Certification on behalf of TRS Var-A. I have reviewed the Amended Complaint. TRS Var-A has authorized Cohen Milstein Sellers & Toll PLLC and Lieff Cabraser Heimann & Bernstein LLP to file the Amended Complaint on TRS Var-A's behalf.
2. TRS Var-A did not purchase the securities that are the subject of this action at the direction of counsel, or in order to participate in any action arising under the federal securities laws.
3. TRS Var-A is willing to serve as a lead plaintiff and representative party on behalf of the Class, including providing testimony at deposition and trial, if necessary.
4. TRS Var-A's transactions in Block Class A common stock that are the subject of this action, from February 26, 2020 to May 1, 2025, are set forth in the attached Schedule A.
5. During the three years prior to the date of this Certification, TRS Var-A sought to serve or served as a representative party for a class in the following actions: *Gonsalves v. Block, Inc. et al.*, No. 5:25-cv-00642 (N.D. Cal.) (appointed lead plaintiff); *Flannery v. Snowflake Inc. et al.*, No. 5:24-cv-01234 (N.D. Cal.) (appointed lead plaintiff); *The New York City Fire Department Pension Fund et al. v. Coupang, Inc. et al.*, No. 1:22-cv-07309 (S.D.N.Y.) (appointed lead plaintiff); and *Norfolk County Retirement System v. Community Health Systems, Inc. et al.*, No. 3:11-cv-00433 (M.D. Tenn.) (appointed lead plaintiff).
6. TRS Var-A will not accept any payment for serving as a representative party on behalf of the class beyond TRS Var-A's *pro rata* share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class, as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 18<sup>th</sup> day of June, 2025.

  
Alexandra D. Jung  
Senior Counsel  
New York City Law Department

**SCHEDULE A****TRS Var-A**

<b>Trade Date</b>	<b>Transaction Type</b>	<b>Shares</b>	<b>Share Price (\$)</b>
3/12/2020	Sale	2,000	55.27
6/26/2020	Purchase	2,610	104.30
9/11/2020	Sale	1,496	140.67
9/18/2020	Purchase	1,662	145.01
9/21/2020	Purchase	7,920	149.98
9/22/2020	Purchase	6,067	155.86
9/22/2020	Purchase	7,838	152.96
9/23/2020	Sale	93	154.59
10/27/2020	Purchase	266	172.65
10/27/2020	Purchase	2,572	170.31
10/30/2020	Purchase	2,410	155.27
11/6/2020	Purchase	4,111	197.28
11/25/2020	Purchase	3,118	213.41
11/25/2020	Purchase	273	211.05
12/10/2020	Purchase	1,769	214.65
12/15/2020	Sale	2,243	220.87
12/23/2020	Purchase	647	234.91
1/6/2021	Purchase	1,370	230.44
1/14/2021	Sale	795	229.98
1/22/2021	Purchase	243	220.22
1/26/2021	Purchase	2,151	213.76
2/4/2021	Purchase	1,172	236.05
2/24/2021	Purchase	472	237.26
3/15/2021	Sale	1,838	241.24
3/25/2021	Purchase	2,791	206.39
4/7/2021	Purchase	3,646	246.94
4/15/2021	Sale	666	262.28
4/22/2021	Purchase	2,967	249.50
5/19/2021	Sale	516	196.42
6/2/2021	Purchase	1,916	221.01
6/11/2021	Sale	1,619	219.50
6/22/2021	Purchase	1,634	230.54

<b>Trade Date</b>	<b>Transaction Type</b>	<b>Shares</b>	<b>Share Price (\$)</b>
6/25/2021	Purchase	3,300	239.92
7/20/2021	Purchase	321	242.12
7/20/2021	Purchase	336	238.90
8/23/2021	Sale	351	269.86
9/16/2021	Sale	813	248.80
9/17/2021	Purchase	948	255.79
9/23/2021	Purchase	20,623	266.58
9/24/2021	Purchase	625	260.08
9/24/2021	Purchase	13,467	262.35
10/1/2021	Purchase	3,451	239.93
10/7/2021	Purchase	2,495	249.63
10/7/2021	Purchase	1,859	249.63
10/8/2021	Purchase	934	245.14
10/8/2021	Purchase	696	245.14
10/13/2021	Purchase	803	241.83
10/13/2021	Purchase	747	242.15
10/13/2021	Sale	516	241.70
10/15/2021	Purchase	226	248.69
10/18/2021	Purchase	339	248.31
10/25/2021	Purchase	47,441	260.72
10/26/2021	Purchase	20,206	265.16
11/5/2021	Purchase	5,009	241.13
11/8/2021	Purchase	2,384	239.05
11/11/2021	Purchase	594	226.98
11/17/2021	Purchase	485	234.70
11/23/2021	Purchase	218	209.93
11/24/2021	Purchase	2,391	215.38
11/24/2021	Purchase	1,120	215.38
12/7/2021	Purchase	7,275	189.51
12/8/2021	Purchase	3,072	193.72
12/8/2021	Purchase	1,487	193.72
12/16/2021	Purchase	5,216	165.19
12/17/2021	Purchase	4,363	163.06
12/17/2021	Sale	2,649	161.40

<b>Trade Date</b>	<b>Transaction Type</b>	<b>Shares</b>	<b>Share Price (\$)</b>
12/21/2021	Purchase	3,705	164.32
1/14/2022	Purchase	4,554	132.24
1/14/2022	Purchase	2,126	132.24
1/19/2022	Purchase	18,387	128.14
1/21/2022	Purchase	623	123.81
2/1/2022	Purchase	800	125.88
2/7/2022	Sale	778	107.59
2/7/2022	Sale	3,426	104.15
2/7/2022	Sale	1,370	102.53
2/8/2022	Sale	5,996	101.81
2/8/2022	Sale	145	102.01
2/15/2022	Purchase	3,430	112.82
2/16/2022	Purchase	2,286	110.34
2/16/2022	Purchase	10,726	110.99
2/17/2022	Sale	1,867	109.22
3/9/2022	Purchase	835	109.75
3/11/2022	Sale	686	103.55
3/11/2022	Sale	1,371	103.76
3/11/2022	Sale	4,114	103.86
3/11/2022	Sale	103	104.98
3/14/2022	Sale	2,626	97.96
3/15/2022	Purchase	5,481	100.98
3/23/2022	Purchase	2,063	140.92
4/5/2022	Purchase	4,069	136.30
4/5/2022	Purchase	1,869	136.30
4/28/2022	Purchase	697	102.64
5/2/2022	Purchase	7,295	101.86
5/2/2022	Purchase	3,345	101.86
5/24/2022	Purchase	753	76.87
6/14/2022	Sale	7,509	59.77
6/24/2022	Purchase	775	68.69
6/24/2022	Purchase	12,200	71.00
7/26/2022	Purchase	687	67.57
8/23/2022	Purchase	598	73.96

<b>Trade Date</b>	<b>Transaction Type</b>	<b>Shares</b>	<b>Share Price (\$)</b>
9/20/2022	Purchase	4,502	61.79
9/20/2022	Sale	1,644	62.04
9/20/2022	Sale	3,014	62.13
9/20/2022	Sale	641	61.47
9/21/2022	Sale	1,760	61.29
9/27/2022	Purchase	88	54.99
10/25/2022	Purchase	619	59.00
11/4/2022	Purchase	10,048	61.05
11/4/2022	Purchase	4,443	61.05
11/10/2022	Purchase	4,382	66.50
11/22/2022	Purchase	641	62.17
12/14/2022	Sale	2,986	71.42
12/16/2022	Purchase	6,934	62.51
1/3/2023	Purchase	10,432	64.02
1/3/2023	Purchase	4,519	64.02
1/19/2023	Sale	6,785	70.27
1/25/2023	Purchase	744	75.64
2/24/2023	Purchase	243	73.88
3/22/2023	Purchase	13,006	74.25
3/22/2023	Purchase	5,730	74.25
4/26/2023	Purchase	672	60.68
5/25/2023	Purchase	705	60.58
6/6/2023	Purchase	7,975	65.93
6/6/2023	Purchase	3,409	65.93
6/23/2023	Purchase	1,254	62.94
7/27/2023	Purchase	609	77.28
8/14/2023	Sale	4,095	60.16
8/23/2023	Purchase	415	56.95
9/8/2023	Sale	15,562	53.24
9/8/2023	Sale	6,599	53.24
9/11/2023	Sale	15,576	54.02
9/11/2023	Sale	6,606	54.02
9/15/2023	Sale	9,375	52.77
9/15/2023	Sale	3,962	52.77

<b>Trade Date</b>	<b>Transaction Type</b>	<b>Shares</b>	<b>Share Price (\$)</b>
9/18/2023	Sale	9,375	51.86
9/18/2023	Sale	3,962	51.86
9/19/2023	Sale	8,436	49.88
9/19/2023	Sale	3,565	49.88
9/20/2023	Sale	9,512	48.61
9/20/2023	Sale	4,020	48.61
9/21/2023	Sale	9,495	45.87
9/21/2023	Sale	4,012	45.87
9/22/2023	Sale	9,456	45.08
9/22/2023	Sale	3,996	45.08
9/25/2023	Sale	9,495	45.27
9/25/2023	Sale	4,013	45.27
9/26/2023	Sale	9,559	44.96
9/26/2023	Sale	4,040	44.96
9/27/2023	Sale	9,734	44.50
9/27/2023	Sale	4,114	44.50
9/28/2023	Sale	9,331	43.90
9/28/2023	Sale	3,943	43.90
9/29/2023	Sale	9,359	44.76
9/29/2023	Sale	3,955	44.76
2/6/2024	Sale	14,817	67.02
3/14/2024	Sale	3,447	81.19
12/19/2024	Sale	3,701	88.03
12/20/2024	Sale	527	88.35
12/20/2024	Sale	2,671	88.37
2/14/2025	Sale	4,419	84.10
2/18/2025	Sale	17,480	84.15
2/26/2025	Purchase	1,631	65.31
2/26/2025	Purchase	9,269	64.08
2/27/2025	Purchase	9,974	65.11
2/27/2025	Purchase	667	64.96
2/27/2025	Purchase	208	65.53
2/27/2025	Purchase	51	65.29
3/6/2025	Purchase	5,738	59.46

<b>Trade Date</b>	<b>Transaction Type</b>	<b>Shares</b>	<b>Share Price (\$)</b>
3/7/2025	Purchase	5,462	59.64
3/10/2025	Purchase	4,367	54.35
3/10/2025	Purchase	33	54.00
3/11/2025	Purchase	344	55.37
3/12/2025	Purchase	1,028	56.12
3/13/2025	Purchase	3,103	54.43
3/14/2025	Purchase	1,282	57.02
3/14/2025	Purchase	1,443	56.91
3/28/2025	Purchase	346	56.80
3/28/2025	Purchase	113	56.37
3/28/2025	Purchase	361	56.49
3/28/2025	Purchase	3,633	55.91
3/28/2025	Purchase	4,647	55.28
4/3/2025	Purchase	454	53.34
4/3/2025	Purchase	2,246	53.69
4/4/2025	Purchase	2,400	50.17
4/7/2025	Purchase	2,300	50.74
4/11/2025	Purchase	2,902	53.71
4/11/2025	Purchase	974	53.84
4/14/2025	Purchase	2,100	54.62
4/15/2025	Purchase	350	55.24
4/15/2025	Purchase	647	55.20
4/16/2025	Purchase	665	54.08
4/17/2025	Purchase	986	53.92
4/17/2025	Purchase	676	53.88

Prices listed are rounded to two decimal places.